

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Prospectus, or as to what action you should take, you should immediately consult an appropriately authorized professional adviser.

This document constitutes a prospectus (the “**Prospectus**”) for the purposes of Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”) and its implementing measures, relating to Técnicas Reunidas, S.A. (“**Técnicas Reunidas**” or the “**Company**” and, together with its subsidiaries, the “**Group**”, unless otherwise indicated or the context otherwise requires). This Prospectus has been prepared in accordance with Annexes 1 and 11 of the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019. This Prospectus has been approved by the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*, the “**CNMV**”), as competent authority under the Prospectus Regulation and its implementing measures, on April 11, 2023. Such approval relates only to the offering of the Preferential Subscription Rights (as defined below) and the New Shares (as defined below) that are to be admitted to trading on the Spanish Stock Exchanges (as defined below) as a regulated market for the purposes of the EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MIFID II**”). This Prospectus is available on the CNMV’s website (www.cnmv.es) and on the Company’s website (www.tecnicasreunidas.es), the latter in compliance with article 21 of the Prospectus Regulation. Neither the Company’s website nor any of its contents forms part of or is incorporated into this Prospectus, whether by reference or otherwise, except as otherwise provided herein. The CNMV has not examined nor approved the Company’s website nor any of its contents.

Investing in the New Shares and/or the Preferential Subscription Rights involves certain risks. You should read this Prospectus in its entirety and in particular the risk factors set out in the section of this Prospectus entitled “*Risk Factors*” before investing in the New Shares and/or the Preferential Subscription Rights.



TÉCNICAS REUNIDAS, S.A.

(incorporated and registered in Spain as a public limited company (*sociedad anónima*))

OFFERING OF 24,405,265 NEW SHARES

BY MEANS OF A RIGHTS OFFERING OF NEW SHARES AT AN OFFERING PRICE OF €6.15 PER SHARE AND ADMISSION TO TRADING ON THE SPANISH STOCK EXCHANGES

This Prospectus relates to the offering of 24,405,265 new ordinary shares, each with a par value of €0.10 (the “**New Shares**”), of the Company pursuant to a rights offering (the “**Offering**”).

Subject to the terms and conditions set out herein, the Company is granting transferable subscription rights (“**Preferential Subscription Rights**”) to existing holders of the Company’s ordinary shares (the “**Shares**” or individually, a “**Share**”) (other than the Company and its subsidiaries) who acquired their Shares on or before April 12, 2023 and whose transactions are settled on or before April 14, 2023 in Iberclear (as defined below) (the “**Eligible Shareholders**”). Each Share held by the Eligible Shareholders entitles its holder to receive one Preferential Subscription Right. The exercise of 11 Preferential Subscription Rights entitles the relevant Eligible Shareholder to subscribe for 5 New Shares in exchange for payment of a subscription price of €6.15 per New Share, which is referred to as the “**Subscription Price**”.

The Shares are listed on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges (the “**Spanish Stock Exchanges**”) and are quoted on the Automated Quotation System of the Spanish Stock Exchanges (*Sistema de Interconexión Bursátil or Mercado Continuo*) (the “**AQS**”) under the symbol “TRE”. The Company expects the Preferential Subscription Rights to be listed on the Spanish Stock Exchanges and to be traded on the AQS during the period from 8:30 a.m. (CET) on April 13, 2023 to 5:30 p.m. (CET) on April 26, 2023. The Company will apply for admission to listing of the New Shares on the Spanish Stock Exchanges and quotation on the AQS (the “**Admission**”).

The preferential subscription period will commence on the first calendar day following the publication of the Offering in the Spanish Commercial Registry Official Gazette (*Boletín Oficial del Registro Mercantil* or “**BORME**”) and will last up to and including the 14th

calendar day thereafter (the “**Preferential Subscription Period**”). During the Preferential Subscription Period, Eligible Shareholders will be able to sell all or part of their Preferential Subscription Rights or, alternatively, to subscribe, in whole or in part, for New Shares, subject to any applicable restrictions on transfer described in this Prospectus, while other investors may acquire Preferential Subscription Rights in the market in the required proportion and subscribe for the corresponding New Shares. Both Eligible Shareholders and other investors that acquire Preferential Subscription Rights and exercise their Preferential Subscription Rights in whole may also subscribe for additional New Shares during the additional allocation period (the allocation of additional New Shares is expected to take place by no later than May 3, 2023) (the “**Additional Allocation Period**”), as described in this Prospectus.

Preferential Subscription Rights not exercised within the Preferential Subscription Period will expire without value. Assuming that the New Shares are fully subscribed, they will represent approximately 30.39% of the Company’s issued and paid-up share capital immediately following the Offering.

Any New Shares, net of Committed Shares (as defined herein) (the “**Underwritten New Shares**”), that are not subscribed for during the Preferential Subscription Period or the Additional Allocation Period (the “**Rump Shares**”) may then be offered by Barclays Bank Ireland PLC, Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., HSBC Continental Europe and Société Générale each as joint global coordinator and joint bookrunner (together, the “**Joint Global Coordinators**”) in an international private placement to qualified investors during a discretionary allocation period (the discretionary allocation period is expected to begin at any time after the end of the Additional Allocation Period and end no later than 8:00 a.m. CET on May 4, 2023) (the “**Discretionary Allocation Period**”). Any Underwritten New Shares that remain unsold after such Discretionary Allocation Period will, subject to the terms of the Underwriting Agreement (as defined herein), be subscribed by the Joint Global Coordinators at the Subscription Price.

Neither the Preferential Subscription Rights nor the New Shares have been, nor will be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or under the securities laws of any state or other jurisdiction in the United States. The Preferential Subscription Rights and the New Shares may only be offered, sold, exercised or otherwise transferred in the following conditions: (i) within the United States to qualified institutional buyers as defined in Rule 144A under the Securities Act (“**Rule 144A**”) (“**QIBs**”), in reliance on an exemption from, or in transactions not subject to, the registration requirements of the Securities Act, or (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act (“**Regulation S**”). Prospective investors are hereby notified that the sellers of New Shares and Preferential Subscription Rights may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales, exercises and transfers of the Preferential Subscription Rights and the New Shares, see “*Transfer and Selling Restrictions*”. The Preferential Subscription Rights may only be exercised (i) within the United States by QIBs that have executed and timely returned a QIB Investment Letter (as defined below), or (ii) outside the United States in offshore transactions (as defined in Regulation S) in reliance on Regulation S. In addition, the Joint Global Coordinators may arrange for Rump Shares to be offered and sold (i) within the United States only to persons they reasonably believe are QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, or (ii) outside the United States in offshore transactions (as defined in Regulation S) in reliance on Regulation S.

The New Shares are expected to be delivered through the book-entry facilities of the Spanish securities, clearance and settlement system (*Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.*) (“**Iberclear**”), subject to payment, on or about May 4, 2023 for New Shares subscribed during the Preferential Subscription Period or Additional Allocation Period and on or about May 8, 2023 for Rump Shares, if any, placed during the Discretionary Allocation Period, without prejudice to the pre-funding in full of the subscription monies corresponding to the Rump Shares to be carried out in advance on May 4, 2023 by Banco Bilbao Vizcaya Argentaria, S.A. (the “**Pre-Funding Bank**”).

This Prospectus was approved and registered by the CNMV on April 11, 2023. This Prospectus is valid (and therefore a supplement to this Prospectus may be published during that period) until the earlier of 12 months following its approval, or the admission to trading of the New Shares (as this Prospectus refers to the offering of such New Shares). Once this Prospectus is no longer valid, the Company will have no obligation to supplement this Prospectus in case of significant new factors, material mistakes or material inaccuracies.

Joint Global Coordinators and Joint Bookrunners

Barclays

Banco Santander

BBVA

HSBC

Société Générale

Financial Advisors to the Company

AZ Capital

STJ Advisors

This Prospectus is dated April 11, 2023

IMPORTANT NOTICES

You agree to each of the notices set forth below by accepting delivery of this Prospectus.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO SUBSCRIBE FOR, ANY OF THE NEW SHARES AND/OR THE PREFERENTIAL SUBSCRIPTION RIGHTS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES IMPLY THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY OR THE GROUP OR THAT THE INFORMATION SET FORTH HEREIN IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

In making an investment decision, prospective investors must rely upon their own examination of the Company's business and the terms of this Prospectus, including the merits and risks involved in investing in the New Shares and the Preferential Subscription Rights.

This Prospectus has been prepared by the Company solely for use in the proposed placement through the offering of the New Shares and the Preferential Subscription Rights.

The Company has not authorized any person to give any information or to make any representations other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized.

You are being provided with this Prospectus solely for the purpose of considering an investment in the New Shares and/or the Preferential Subscription Rights described in this Prospectus. All the information in this Prospectus has been furnished by the Company and you acknowledge and agree that the Joint Global Coordinators make no representation or warranty, express or implied regarding, nor they assume any responsibility for, the accuracy, completeness or verification of the information given herein. Neither the Company nor the Joint Global Coordinators nor AZ Capital and STJ Advisors Group Limited (acting as the Group's financial advisors in connection with the Offering), nor any of their respective affiliates, is making any representation to any offeree or purchaser of the New Shares and/or the Preferential Subscription Rights regarding the legality of an investment in the New Shares and/or the Preferential Subscription Rights by such offeree or purchaser under the laws applicable to such offeree or purchaser. Prospective investors should not consider any information contained in this Prospectus to be investment, legal, business or tax advice. Each prospective investor should consult its own counsel, business adviser, accountant, tax adviser and other advisers for legal, financial, business, tax and related advice regarding an investment in the New Shares and/or the Preferential Subscription Rights.

In connection with the Offering, any of the Joint Global Coordinators and any of their respective affiliates may take up a portion of the New Shares and/or the Preferential Subscription Rights acting as investors for their own account and, in that capacity, may retain, purchase, sell, offer to sell, or otherwise deal for its or their own account(s) in such securities, any other securities of the Company or other related investments in connection with the Offering or otherwise. Accordingly, references in this Prospectus to the New Shares and/or the Preferential Subscription Rights being offered or otherwise dealt with should be read as including any offer to, or dealing by, the Joint Global Coordinators or any of them and any of their affiliates acting in such capacity. In addition, certain of the Joint Global Coordinators or their affiliates may enter into financing agreements (including swaps, warrants or contract for difference) with investors in connection with which such Joint Global Coordinators (or their respective affiliates) may, from time to time, acquire, hold or dispose of the New Shares and/or the Preferential Subscription Rights. In addition, in connection with the Offering, certain of the Joint Global Coordinators may enter into financing arrangements with investors, such as share-swap arrangements or lending arrangements where securities are used as collateral, which could result in such Joint Global Coordinators acquiring New Shares and/or the Preferential Subscription Rights. Neither the Joint Global Coordinators nor their respective affiliates intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

In the ordinary course of their various business activities, the Joint Global Coordinators and their respective affiliates may hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) in the Company and its affiliates for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments.

In the event that the Joint Global Coordinators subscribe for Underwritten New Shares which are not taken up during the Discretionary Allocation Period, the Joint Global Coordinators may co-ordinate disposals of such shares in accordance with applicable law and regulation. Except as required by applicable law or regulation, the Joint Global Coordinators and their respective affiliates do not propose to make any public disclosure in relation to such transactions.

The Joint Global Coordinators are acting exclusively for the Company and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to the Offering and will not

be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

You may not reproduce or distribute this Prospectus, in whole or in part, and you may not disclose any of the content of this Prospectus or use any information given herein for any purpose other than considering an investment in the New Shares and/or the Preferential Subscription Rights described in this Prospectus.

The distribution of this Prospectus and the offering, sale, exercise or transfer of the New Shares and the Preferential Subscription Rights in certain jurisdictions may be restricted by law. Thus, this Prospectus may not be used in connection with any offer or solicitation in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation. Other than in Spain, no action has been taken or will be taken by the Company or the Joint Global Coordinators that would permit a public offering of the New Shares or the Preferential Subscription Rights or the possession or distribution of a Prospectus in any jurisdiction where action for that purpose would be required. **This Prospectus may not be used for, or in connection with, and does not constitute an offer of, or an invitation or solicitation to subscribe for or purchase, any securities in any jurisdiction in which such offer, invitation or solicitation would be unlawful.** The Company and the Joint Global Coordinators require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions. Neither the Company nor the Joint Global Coordinators accept any responsibility for any violation by any person, whether or not such person is a prospective purchaser of the New Shares and/or the Preferential Subscription Rights described in this Prospectus, of any of these restrictions.

Offering restrictions

Prospective investors must observe the selling and transfer restrictions set out under “*Transfer and Selling Restrictions*”.

Notice to U.S. Investors

NONE OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY HAVE APPROVED OR DISAPPROVED OF THE PREFERENTIAL SUBSCRIPTION RIGHTS OR THE NEW SHARES, OR PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

Neither the Preferential Subscription Rights nor the New Shares have been, or will be, registered under the Securities Act or under the securities laws of any state or other jurisdiction in the United States. The Preferential Subscription Rights and the New Shares may be offered, sold, exercised or otherwise transferred only under the following conditions: (i) within the United States to QIBs as defined in Rule 144A, in reliance on an exemption from, or in transactions not subject to, the registration requirements of the Securities Act, or (ii) outside the United States in offshore transactions in reliance on Regulation S. Any person in the United States wishing to exercise Preferential Subscription Rights to subscribe for New Shares must execute and timely deliver to the Company an investment letter (in the form separately provided by the Company) (the “**QIB Investment Letter**”) addressed to the Company and the Joint Global Coordinators to the effect that such person and any account for which it is subscribing New Shares is a QIB and satisfies certain other requirements. In addition, the Joint Global Coordinators may arrange for Rump Shares to be offered and sold within the United States only to persons they reasonably believe are QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Purchasers of New Shares during the Discretionary Allocation Period in the United States, will not be required to provide a QIB Investment Letter. **Prospective investors are hereby notified that the sellers of New Shares may be relying on the exemption from the registration provisions of Section 5 of the Securities Act provided by Rule 144A.** By exercising the Preferential Subscription Rights or purchasing New Shares in the Discretionary Allocation Period, prospective investors will be deemed to have made the acknowledgments, representations, warranties and agreements set out under, and that they otherwise comply with the restrictions described in, “*Transfer and Selling Restrictions*”. The information contained in this Prospectus has been provided by the Company. Distribution of this Prospectus to any person other than the offeree specified by the Company and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized, and any disclosure of its contents, without the Company’s prior written consent, is prohibited. This document is not a prospectus within the meaning of Section 10 of the Securities Act.

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SUMMARY

Prepared in compliance with Article 7 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

1. Introduction and warnings

THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THE PROSPECTUS. ANY DECISION TO INVEST IN THE NEW SHARES AND THE PREFERENTIAL SUBSCRIPTION RIGHTS (PROVISIONAL ISIN CODE ES0178165041 AND ES0678165905, RESPECTIVELY) OF TÉCNICAS REUNIDAS, S.A. (“TÉCNICAS REUNIDAS” OR THE “COMPANY” AND, TOGETHER WITH ITS SUBSIDIARIES, THE “GROUP”) SHOULD BE BASED ON A CONSIDERATION OF THE PROSPECTUS AS A WHOLE BY THE INVESTOR. THE INVESTOR COULD LOSE ALL OR PART OF THE INVESTED CAPITAL.

WHERE A CLAIM RELATING TO THE INFORMATION CONTAINED IN, OR INCORPORATED BY REFERENCE INTO, THE PROSPECTUS IS BROUGHT BEFORE A COURT THE PLAINTIFF INVESTOR MIGHT, UNDER SPANISH LAW, HAVE TO BEAR THE COSTS OF TRANSLATING THE PROSPECTUS BEFORE THE LEGAL PROCEEDINGS ARE INITIATED.

CIVIL LIABILITY ATTACHES ONLY TO THOSE PERSONS WHO HAVE TABLED THE SUMMARY INCLUDING ANY TRANSLATION THEREOF, BUT ONLY IF THE SUMMARY IS MISLEADING, INACCURATE OR INCONSISTENT WHEN READ TOGETHER WITH THE OTHER PARTS OF THE PROSPECTUS OR IT DOES NOT PROVIDE, WHEN READ TOGETHER WITH OTHER PARTS OF THE PROSPECTUS, KEY INFORMATION IN ORDER TO AID INVESTORS WHEN CONSIDERING WHETHER OR NOT TO INVEST IN THE SHARES OF TÉCNICAS REUNIDAS.

The corporate domicile’s address and phone number of the Company (legal entity identifier code (LEI): 213800JEZBUPZKWJGF49) are: Avenida de Burgos 89, Adequa, Edificio 6, 28050, Madrid, Spain, and +34 91 158 22 55, respectively.

The Prospectus was approved and registered by the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*, the “CNMV”) on April 11, 2023. Investors may contact the CNMV at the telephone number +34 900 535 015.

2. Key information on the issuer

2.1. Who is the issuer of the securities?

The legal name of the issuer is Técnicas Reunidas, S.A. and the trade name is “Técnicas Reunidas”. Técnicas Reunidas is a Spanish *sociedad anónima* incorporated on July 6, 1960 for an indefinite term and registered with the Madrid Commercial Registry. Técnicas Reunidas’ holds Spanish tax identification number A28092583.

Técnicas Reunidas focuses on providing all types of value-added engineering and construction services for industrial plants in the fields of refining, natural gas, petrochemistry, and low carbon technologies. The services provided range 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, construction of facilities and other related or linked services. The Group also provides services to offer technical solutions linked to the energy transition, the circular economy and decarbonisation (renewable hydrogen, biofuels, waste recovery, CO₂ sequestration and capture, etc.). Most of the Group’s business is concentrated on large turnkey industrial projects, although the Group also provides engineering, construction management, start-up and operating services for industrial plants. The Group divides its business into five divisions: Refining, Natural Gas, Petrochemistry, Low Carbon Technologies and Others. The Group’s principal divisions in terms of revenue as of December 31, 2022 are the following (€ *revenue in thousands*; % *percentages of total*): Refining (€1,425,936; 33.7%), Natural gas (€1,632,121; 38.6%), Petrochemistry (€842,556; 19.9%), Low carbon technologies (€5,716; 0.1%), and Others (€327,041; 7.7%). The Group operates mainly in America, Asia, Europe, the Mediterranean and the Middle East. In particular, the countries where the Group had a presence as of December 31, 2022 were the following: Spain; America (Argentina, Canada, Chile, Colombia, Mexico and Peru); Asia (India, Indonesia, Malaysia, Kazakhstan and Singapore); Europe (Belgium, Poland, the Netherlands and Germany); Mediterranean (other than European countries, Algeria and Turkey); and Middle East (Saudi Arabia, Azerbaijan, Bahrain, UAE, Kuwait, Oman and Qatar). During the year ended December 31, 2022, the majority of the Group’s revenue came from outside of Spain.

The following table sets forth publicly available information with respect to the beneficial ownership of voting rights in the Company as of the date of this Prospectus:

Owner	Total voting rights (%)		Total voting rights (%)
	Direct	Indirect	
Ariel Investments, LLC	—	3.007	3.007
Franklin Templeton Investment Management Limited	—	3.000	3.000
Francisco Garcia Paramés ⁽¹⁾	—	5.146	5.146
Álvaro Guzmán De Lázaro Mateos ⁽²⁾	—	5.045	5.045
José Lladó Fernández-Urrutia ⁽³⁾	0.107	37.088	37.196

Owner	Total voting rights (%)		Total voting rights (%)
	Direct	Indirect	
Total (direct and indirect)			53.394

(1) The shares indirectly held are through the entities CobasConcentrados,F.I.L., CobasGlobal,F.P., CobasIberia,F.I., CobasLuxSICAV:CobasConcentratedFund, CobasRenta, F.I., CobasSelección,F.I., CobasValueSicavSa, AZMultiAsset.Subfund: AZMultiAsset-Bestvalue CobasLuxSICAV:Cobas IberianFund, CobasLuxSICAV:CobasSelectionFund, CobasMixtoGlobal,F.P. and Cobasmixtogloba,F.P. The table sets forth publicly available information. However, the Company has been informed that Mr. Francisco Garcia Paramés indirectly holds Shares representing approximately 5.874% of the Company's share capital (prior to the Offering). (2) The shares indirectly held are through the entities AZvalor Internacional FI; AZvalor Iberia FI; AZvalor LUX SICAV-AZvalor Internacional; AZvalor Value Selection SICAV; Mimosa Capital SIF SICAV SA- AZvalor Ultra SUB FUND; Azvalor LUX SICAV - ALTUM FAITH. The table sets forth publicly available information. However, the Company has been informed that Mr. Álvaro Guzmán De Lázaro Mateos indirectly holds Shares representing approximately 6.078% of the Company's share capital (prior to the Offering). (3) Indirectly held through Araltec, S.L. and Aragonesas Promoción de Obras y Construcciones, S.L. Mr. José Lladó Fernández-Urrutia owns 93.18% of the share capital of Araltec, SL, which in turn owns 100% of the share capital of Araltec Corporación, S.L.U, which directly holds 31.993% of the voting rights of Técnicas Reunidas, S.A. He also holds 75.75% of the share capital of Aragonesas Promoción de Obras y Construcciones, S.L., which directly holds 5.096% of the voting rights of Técnicas Reunidas, S.A.

As of the date of this Prospectus, the Board of Directors consists of twelve Directors. The composition of the Board of Directors and the status of its members in accordance with the provisions of the bylaws and the Board of Directors regulations (*Reglamento del Consejo de Administración* or "**Board of Directors Regulations**") of the Company are shown below:

Name	Nature	Title	Date of Appointment or election or re-election	Term Expires
Mr. Juan Lladó Arburúa	Executive	Executive Chairperson	June 25, 2020	June 25, 2024
Mr. José Manuel Lladó Arburúa	Proprietary ⁽¹⁾	1st Vice-Chairperson	June 25, 2020	June 25, 2024
Mr. Pedro Luis Uriarte Santamarina	Independent ⁽²⁾	Director	June 25, 2020	June 25, 2024
Ms. Petra Mateos-Aparicio Morales	Independent	Director	June 25, 2020	June 25, 2024
Mr. William Blaine Richardson.....	Other external ⁽³⁾	Director	June 25, 2020	June 25, 2024
Mr. Adrián Lajous Vargas	Independent	Director	June 25, 2020	June 25, 2024
Mr. Alfredo Bonet Baiget	Independent	Director	June 28, 2022	June 28, 2026
Mr. José Nieto de la Cierva	Independent	Coordinating Director	June 28, 2022	June 28, 2026
Mr. Rodolfo Martín Villa	Other external ⁽⁴⁾	Director	June 26, 2019	June 26, 2023
Ms. Inés Andrade Moreno	Independent	Director	June 25, 2020	June 25, 2024
Mr. Ignacio Sánchez-Asiain Sanz	Independent	Director	June 25, 2020	June 25, 2024
Ms. Silvia Iranzo Gutiérrez	Independent	Director	June 28, 2022	June 28, 2026

(1) Proprietary director representing Araltec, S.L., in accordance with the terms of his appointment resolution. 93.18% of the share capital of Araltec, S.L. is owned by Mr. José Lladó Fernández-Urrutia. Mr. José Lladó Fernández-Urrutia controls 37.20% of the share capital of the Company, out of which a 0.107% is controlled directly and a 37.088% is controlled indirectly through Araltec, S.L. and Aragonesas Promoción de Obras y Construcciones, S.L. (2) In June, 2023 ;Mr. Pedro Luis Uriarte Santamarina will have served as independent director for 12 years. Consequently, he will cease to qualify as independent director and shall be qualified as an "other external director" of the Company. (3) Other external as he does not have executive duties in the Company and he cannot qualify as independent director due to the consultancy contract entered into between Mr. William Blaine Richardson and the Company. (4) Other external as he does not have executive duties in the Company and he cannot qualify as independent director because in 2019, prior to his appointment as director of the Company, he received remuneration from Initec Plantas Industriales, S.A.U.

PricewaterhouseCoopers Auditores S.L. and Deloitte, S.L. as joint auditors of the Company have audited the Group's Audited Consolidated Financial Statements for the years ended December 31, 2020, 2021 and 2022 (the "**Financial Statements**") included in this Prospectus, as stated in the reports included in this Prospectus. However, the consolidated directors' reports accompanying the Financial Statements have not been audited by PricewaterhouseCoopers Auditores S.L. nor Deloitte, S.L.

2.2. What is the key financial information regarding the issuer?

Selected Income Statement Information	For the year ended December 31		
	2022	2021	2020
	(audited, except as otherwise indicated) (in thousands of euros)		
Revenue	4,233,370	2,807,593 ⁽¹⁾	3,520,589
Profit/loss from operations	8,741	(156,644)	41,464
Profit/(loss) before tax	(18,534)	(179,802)	19,883
Profit/(loss) for the year	(34,484)	(192,133)	12,982
Year on year revenue growth (unaudited)	50.78%	(20.25)%	N/A
Year on year profit/loss from operations growth (unaudited)	105.58%	(477.78)%	N/A
EBIT Margin ^{APM} (unaudited)	0.2%	(5.6)%	1.2%
(Loss)/Earnings per share	(0.69)	(3.55)	0.21

(1) The Revenue figure for the year ended December 31, 2021 presented in the 2022 Audited Consolidated Financial Statements, which amounts to €2,806,038 thousand differs from the Revenue figure for the year ended December 31, 2021 presented in the 2021 Audited Consolidated Financial Statements, which amounts to €2,807,593 thousand. The financial information contained in this Prospectus shows the audited Revenue for the year ended December 31, 2021 as presented in the 2021 Audited Consolidated Financial Statements. See “Operating and Financial Review—Key Factors Affecting the Comparability of the Group’s Financial Condition and Results of Operations—Revenue for the year ended December 31, 2021 – Concession assets income reclassification”

Selected Balance Sheet Information

	For the year ended December 31		
	2022	2021	2020
	(audited, except as otherwise indicated) (in thousands of euros)		
Total assets	4,816,360	3,883,446	3,936,067
Total equity	83,014	104,658	283,593
Net Cash ^{APM(1)} (unaudited)	157,549	(76,006)	195,380

(1) For the Net Cash^{APM} calculation, Borrowings for the year ended December 31, 2022 exclude the Profit Sharing Loan of the SEPI Financial Support (€ 175 million) for comparability purposes vis à vis 2021 and 2022, when the SEPI Financial Support was not accounted for.

Selected Cash flow Information

	For the year ended December 31		
	2022	2021	2020
	(audited) (in thousands of euros)		
Net cash flows from operating activities	83,990	(267,169)	(116,585)
Net cash flows (used in)/from investing activities	(1,193)	14,028	30,638
Net cash flows generated from financing activities	210,004	(11,515)	129,853

2.3. What are the key risks that are specific to the issuer?

The most material risk factors specific to the issuer are as follows:

- **Risks related to the Group’s business and industry in which it operates**
 1. The Group’s Backlog^{APM} is based on internal projections and assumptions, subject to adjustments and cancellations and therefore may not be a fully accurate indicator of the Group’s future revenue or earnings. Likewise, the conversion of the Group’s Pipeline into Backlog^{APM} may be affected by external or internal factors, such as the effectiveness of the Group’s commercial action
 2. The Group’s revenue can be affected by cost overruns in projects developed under fixed-price contracts and deviations from assumptions in turnkey projects
 3. Risk associated with portfolio concentration on a limited client base and limited number of countries

4. Demand for the Group's services is highly dependent on refining and natural gas industry activity and expenditure levels, which are directly affected by trends in the demand for and price of oil and natural gas
5. Commodity supply and price volatility risks
6. In certain countries the Group is dependent on a limited number of suppliers and subcontractors to provide and outsource its services
7. The Group is exposed to risks associated to its expansion into the low carbon technologies industry, a newly created segment that will require investment and revenue generation to show profitability
8. The Group operates in highly competitive markets and competitive pressures could have a material adverse effect on our business
9. The Group's failure to timely deliver its projects could affect future sales, profitability and relationships with its customers

- **Risks related to financial matters**

10. The Group reported losses in 2021 and 2022. Likewise, the Group's Net Cash^{APM} position was affected in 2021
11. The Group is subject to risks related to its indebtedness
12. Risk arising from the presence of SEPI as a creditor of the Company

- **Risk related to taxation**

13. The recoverability of the Group's deferred tax assets depends on the Group's future taxable income, which may not materialize as estimated

3. Key information on the securities

3.1. What are the main features of the securities?

The 24,405,265 New Shares to be issued pursuant to the Offering are ordinary shares of Técnicas Reunidas with a nominal value of ten euro cents (€0.10) each, all of the same class and series as Técnicas Reunidas' existing shares. The New Shares will be denominated in euro. The New Shares will be ordinary shares ranking *pari passu* in all respects with the ordinary shares of the Company and their owners will be granted the same economic and voting rights as with respect to the existing ordinary shares of Técnicas Reunidas, which are set forth in the Spanish Companies Act and in Técnicas Reunidas' bylaws. There are no restrictions on the free transferability of the Company's ordinary shares in Técnicas Reunidas' bylaws. The ISIN code of the Shares is ES0178165017. The National Numbering Agency, an entity within the CNMV, has assigned the provisional ISIN code ES0678165905 to the Preferential Subscription Rights and the provisional ISIN code ES0178165041 to the New Shares. Once the New Shares are listed, the New Shares and Shares will trade under the same ISIN code.

Holders of the ordinary shares of the Company, including the New Shares, are entitled to the rights and subject to the obligations set forth in the Spanish Companies Act and in the Company's bylaws. In particular, the following rights are inherent to the condition of shareholder of the Company: (i) right to attend the general meeting of shareholders with voting rights; (ii) pre-emptive rights in issues of new shares and bonds or other instruments convertible into or carrying the right to subscribe for new shares in consideration for cash contributions; (iii) right to exercise shareholder actions; (iv) information rights; and (v) dividend and liquidation rights.

The Company does not have a formal dividend policy and has not distributed dividends during the three-year period covered by the historical financial information. The Company's ability to pay dividends to its shareholders is limited by the SEPI Financial Support (as defined herein), as well as by the Syndicated CESCE Financing Agreement and the Syndicated ICO Loan, which as of the date of this Prospectus are the only covenants limiting the distribution of dividends in any financing agreement entered into by the Company, and consequently the Company will not pay dividends in the near future. The Company may consider the payment of dividends (or other methods of returning net proceeds to shareholders in a tax efficient manner) in the future when, in their view, the Company has sufficient distributable profits after taking into account the working capital need. The ability of the Company to distribute dividends in the future to its shareholders, will depend on a number of circumstances and factors including, but not limited to, the amount of net profit attributable to the Company in any financial year, any limitations on the distribution of dividends included in the Company's financing agreements, and the Group's growth strategy.

3.2. Where will the securities be traded?

The Shares are listed on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges (the "**Spanish Stock Exchanges**") and are quoted on the Automated Quotation System of the Spanish Stock Exchanges (*Sistema de Interconexión Bursátil or Mercado Continuo*) (the "**AQS**") under the symbol "TRE". The Company expects the Preferential Subscription Rights to be listed on the Spanish Stock Exchanges and to be traded on the AQS during the period from 8:30 a.m. (CET) on April 13, 2023 to 5:30 p.m. (CET) on April 26, 2023. The Company will apply for admission to listing of the New Shares on the Spanish Stock Exchanges and quotation on the AQS (the "**Admission**").

3.3. Is there a guarantee attached to the securities?

Not applicable.

3.4. What are the key risks that are specific to the securities?

The most material risk factors specific to the securities are as follows:

- **Risks related to the Offering**

1. The Company's ability to pay dividends is limited by certain of its financial agreements and will not pay dividends in the near future. Furthermore, once there are no restrictions on the Company's ability to pay dividends, the Company cannot assure that it will be able to pay dividends and, even if able, that the Company would do so
2. Eligible Shareholders who do not participate in the Offering will have their ownership interest diluted. The Company may in the future issue additional Shares or convertible securities, which may dilute shareholders' interest in the Company
4. **Key information on the offer of securities to the public and/or the admission to trading on a regulated market**

- 4.1. **Under which conditions and timetable can I invest in this security?**

The Offering will be in respect of 24,405,265 New Shares at a Subscription Price of €6.15 per New Share (nominal amount of €0.10 plus a premium of €6.05). The Company is granting Preferential Subscription Rights to Eligible Shareholders. Each Share held by the Eligible Shareholders entitles its holder to receive one Preferential Subscription Right. The exercise of 11 Preferential Subscription Rights entitles the exercising holder to subscribe for 5 New Shares against payment of the Subscription Price in cash.

Eligible Shareholders who do not participate in the Offering will have their ownership interest diluted. If an Eligible Shareholder does not subscribe New Shares in the percentage corresponding to it as a result of its Preferential Subscription Rights, and assuming that the New Shares are fully subscribed by third parties, the ownership interest of such Eligible Shareholder will be diluted by 30.39%. The Company expects net proceeds from the Offering of approximately €142.5 million: gross proceeds of approximately €150 million less (i) approximately up to €2.7 millions of commissions payable to the Joint Global Coordinators under the Underwriting Agreement, assuming placement of all the New Shares and payment of the discretionary commission, and (ii) other expenses related to the Offering in the amount of approximately €4.8 million.

Subscription of New Shares

- **Preferential Subscription Period.** The period during which the Eligible Shareholders may exercise their Preferential Subscription Rights, or Preferential Subscription Period, will last 14 calendar days, beginning on the first calendar day following the publication of the notice of the Offering in the BORME. According to the envisaged timetable, this period will commence on April 13, 2023 and last until April 26, 2023 (in each case inclusive of the start and end dates). Eligible Shareholders may exercise their Preferential Subscription Rights during the AQS trading days of this period. In accordance with the envisaged timetable, the AQS trading days are expected to begin on and include 8:30 a.m. CET on April 13, 2023 and end on and include 5:30 p.m. CET on April 26, 2023. Alternatively, Eligible Shareholders may sell their Preferential Subscription Rights in the market during the AQS trading days within such period, and purchasers of those Preferential Subscription Rights may subscribe for the corresponding number of New Shares, in each case, in compliance with applicable laws and regulations. During the Preferential Subscription Period, Eligible Shareholders or purchasers of Preferential Subscription Rights may exercise or sell their Preferential Subscription Rights, in whole or in part. Only those having exercised their Preferential Subscription Rights in full may confirm their agreement to subscribe for additional New Shares in excess of their pro rata entitlement.
- **Additional Allocation Period.** The allocation of additional New Shares is currently expected to take place no later than 5:00 p.m. CET on the third Madrid business day immediately following the end of the Preferential Subscription Period (according to the envisaged timetable, the third Madrid business day following the end of the Preferential Subscription Period is expected to be May 3, 2023). To the extent that at the expiration of the Preferential Subscription Period there are New Shares that have not been subscribed for, the Company will allocate them to holders of Preferential Subscription Rights that have exercised all of their Preferential Subscription Rights and have indicated at the time of such exercise their agreement to subscribe for additional New Shares in excess of the New Shares corresponding to their Preferential Subscription Rights.
- **Discretionary Allocation Period and underwriting.** If, following the Preferential Subscription Period and the Additional Allocation Period any New Shares remain unsubscribed, the Discretionary Allocation Period is expected to begin at any time after the end of the Additional Allocation Period (which, according to the envisaged timetable, is expected to be May 3, 2023) and end no later than 8:00 a.m. CET on May 4, 2023, without prejudice to the ability of the Joint Global Coordinators to terminate it prior to such time.

If there are New Shares, net of Committed Shares, not subscribed for during the Preferential Subscription Period or the Additional Allocation Period (the "**Rump Shares**"), the Joint Global Coordinators have agreed, subject to the terms and conditions of the Underwriting Agreement, to use reasonable efforts to procure subscribers for the Rump Shares in an international private placement to qualified investors during the Discretionary Allocation Period and, failing which, to subscribe and pay for such Rump Shares at the Subscription Price pro rata to their respective underwriting commitments. Holders of Preferential Subscription Rights who exercise their Preferential Subscription Rights during the Preferential Subscription Period or request for additional New Shares to be allocated during the Additional Allocation Period, as well as investors who request for subscription of New Shares in the Discretionary Allocation Period, will not be able to revoke the subscriptions and requests, except where a supplement to this Prospectus is published, in which case they will have the right, exercisable within two business days after publication of such supplement, to withdraw their subscriptions or requests, as applicable, provided that the new factor, mistake or inaccuracy to which the supplement refers arises before the closing of the offer (i.e. when the Company grants the public deed formalising the capital increase, including the subscription and payment of the New Shares (the "**Second Public Deed**"), before a Spanish public notary, which is expected to take place on the Execution Date). In the event a supplement to this Prospectus is published, investors who had acquired Preferential Subscription Rights in the market and revoke such subscriptions will lose such investment.

In the event of termination of the Underwriting Agreement, or if the underwriting and pre-funding obligations of the Joint Global Coordinators under the Underwriting Agreement do not come into force as a result of the failure to fulfil or waive any conditions precedent, this will be considered a significant factor which requires the publication of a supplement, in the terms indicated in the above paragraph.

Payment

Payments in respect of New Shares must be made by final shareholders who have subscribed the shares, with respect to: (a) New Shares subscribed during the Preferential Subscription Period: upon subscription. (b) New Shares subscribed during the Additional Allocation Period: no later than 10:00 a.m. CET on the Execution Date (before the Company declares the share capital increase executed and grants the Second Public Deed before a Spanish public notary). Notwithstanding the above, Participant Entities may require that holders of Preferential Subscription Rights requesting additional New Shares fund in advance the Subscription Price of additional New Shares requested by them at the time of such request. (c) New Shares allocated during the Discretionary Allocation Period: no later than the settlement date, which, according to the envisaged timetable, is expected to be May 8, 2023. Notwithstanding the above, Joint Global Coordinators may ask investors to provide funds in advance in order to ensure payment for the Subscription Price of any Rump Shares that may be allocated to them, where applicable.

The summary timetable set forth below lists certain important dates relating to the Offering:

Principal event	On or about
Approval of this Prospectus by the CNMV. Filing of regulatory information notice announcing the registration of the Prospectus with the CNMV and estimated date of the commencement and end of the Preferential Subscription Period.	April 11, 2023
Announcement of the Offering in the BORME and last trading date of Shares “with rights”. Granting before a Spanish public notary of the First Public Deed	April 12, 2023
Commencement of the Preferential Subscription Period and the period to request New Shares to be allocated (if applicable) during the Additional Allocation Period. First trading date of the Shares without rights (ex-date) and first date of trading of the Preferential Subscription Rights	April 13, 2023
Record Date (the date on which those persons or entities registered in Iberclear as shareholders become Eligible Shareholders)	April 14, 2023
End of trading of the Preferential Subscription Rights (guaranteed participation date). End of the Preferential Subscription Period and the period to request New Shares to be allocated (if applicable) during the Additional Allocation Period	April 26, 2023
Additional Allocation Period (if applicable). Filing of regulatory information notice announcing results of the Preferential Subscription Period and Additional Allocation Period (if applicable). Filing of regulatory information notice announcing the commencement of the Discretionary Allocation Period. Commencement of the Discretionary Allocation Period (if applicable)	May 3, 2023
End of the Discretionary Allocation Period (if applicable). Filing of regulatory information notice announcing results of the Offering and number of New Shares subscribed for in each period (if applicable). Payment by the Participant Entities to the Agent Bank of the New Shares subscribed for during the Preferential Subscription Period and Additional Allocation Period (if applicable). Payment (pre-funding) by the Pre-Funding Bank of the New Shares subscribed for in the Discretionary Allocation Period (if applicable). Granting before a Spanish public notary of the Second Public Deed (Execution Date). Filing of regulatory information notice announcing the granting of the Second Public Deed. Registration of the New Shares with Iberclear. Admission to listing of the New Shares by the CNMV and the Spanish Stock Exchanges. Execution of the Special Transaction for the transfer of Rump Shares allocated during the Discretionary Allocation Period (if applicable)	May 4, 2023
Expected commencement of trading of the New Shares on the Spanish Stock Exchanges.....	May 5, 2023
Settlement date of the Special Transaction for the transfer of Rump Shares allocated during the Discretionary Allocation Period (if applicable)	May 8, 2023
Filing with the Commercial Registry of the Second Public Deed.....	May 9, 2023

Commitments from shareholders

Irrevocable commitment. Mr. José Lladó Fernández-Urrutia, who controls 37.20% of the share capital of the Company, out of which a 0.107% is controlled directly and a 37.088% is controlled indirectly through Araltec, S.L. and Aragonesas Promoción de Obras y Construcciones, S.L., has irrevocably committed to exercise the Preferential Subscription Rights corresponding to all the Shares he holds through (i) Araltec Corporación, S.L., which represent approximately 33.31% of the Offering, and (ii) Aragonesas Promoción de Obras y Construcciones, S.L., which represent approximately 5.31% of the Offering, and to subscribe and pay for the corresponding New Shares (the “**Main Shareholder**” and the “**Committed Shares from the Main Shareholder**”, respectively). Mr. José Lladó Fernández-Urrutia will not exercise the Preferential Subscription Rights associated to the Shares he directly holds, which represent approximately 0.112% of the Offering. The percentage that the Committed Shares from the Main Shareholder represent over the Offering

differs from the percentage of share capital held by the Main Shareholder due to the fact that the Offering excludes the Company's treasury shares. Additionally, Cobas Asset Management, SGIIC, S.A (the "**Committed Principal Entity**") and together with the Main Shareholder, the "**Committed Persons**") has irrevocably committed to exercise the Preferential Subscription Rights corresponding to 3,283,101 Shares (the "**Committed Shares from the Principal Entity**") and together with the Committed Shares from the Main Shareholder, the "**Committed Shares**") held through the entities it manages, which represent approximately 6.11% of the Offering, and to subscribe and pay for the corresponding New Shares. The subscription of the New Shares by the Committed Persons will take place within the first 10 calendar days of the Preferential Subscription Period. The Company will inform the market about such subscriptions through the corresponding regulatory information notice (*comunicación de otra información relevante*), upon confirmation from the Committed Persons.

Intention to exercise the Preferential Subscription Rights from the Directors and members of the Senior Management. Certain Directors and members of the Senior Management holding shares in the Company have notified the Company of their intention to exercise their Preferential Subscription Rights, and to subscribe and pay for the corresponding New Shares. However, as of the date of this Prospectus, unlike the Committed Persons, such shareholders have not entered into any legally binding agreement and therefore may finally decide not to exercise their Preferential Subscription Rights, in part or in full.

4.2. Who is the offeror and/or the person asking for admission to trading?

The offeror of the New Shares is the Company (Section 2 of this Summary in relation to the key information about the Company).

4.3. Why is this prospectus being produced?

The Company expects net proceeds from the Offering of approximately €142.5 million: gross proceeds of approximately €150 million less (i) approximately up to €2.7 millions of commissions payable to the Joint Global Coordinators under the Underwriting Agreement, assuming placement of all the New Shares and payment of the discretionary commission, and (ii) other expenses related to the Offering in the amount of approximately €4.8 million.

The primary objective of the Offering is to strengthen the Group's equity position to support the future growth which is expected to come from the new investment wave in the overall energy industry and the energy intensive industry in line with the commitments acquired under the Viability Plan envisaged under the SEPI Financial Support. Participants in the engineering and construction industry have reinforced their respective balance sheet in recent quarters, either through operations or through capital increases. A stronger balance sheet would enhance the Group's competitive positioning in new tenders, thus becoming more successful in capturing the expected industry growth. In this regard, the net proceeds will be used to: (a) approximately one third will be devoted to financing the operational expenditures that will be required by the Low Carbon Technologies segment in the context of the energy transition, covering the segment's annual cash needs which are expected to arise throughout 2023, 2024 and 2025 and which will be related to: the investment required to set up platforms for business development and project structuration in Spain, Europe and the United States, with dedicated teams for project structuration in the aforementioned regions; the requirements in the early development stage of self-sourced projects through the activity of project structuration; the investment of engineering services in the development and scale up of low carbon technologies; and the support in early development stages of third party sourced projects; (b) approximately one third will be devoted to optimizing the Group's Net Cash^{APM} position, reinforcing the cash levels in line with the size of the Group and its expected future evolution; and (c) approximately one third will be devoted to continue reducing the Group's level of indebtedness which will contribute to the Group maintaining a sound balance sheet that enables it being awarded new performance bonds required to ordinarily develop its business activities. In particular, this amount will be devoted to repay (i) €33,500 thousand of the Syndicated ICO Loan and (ii) €14,000 thousand of the Syndicated CESCE Financing Agreement

On April 10, 2023, the Company and the Joint Global Coordinators entered into an underwriting agreement governed by the laws of the Kingdom of Spain with respect to the Offering (the "**Underwriting Agreement**"). Subject to certain conditions, each Joint Global Coordinator, acting severally but not jointly nor jointly and severally, has agreed to use reasonable efforts to procure subscribers for the New Shares, net of Committed Shares, which represent approximately 55.27% of the Offering, that are not subscribed for during the Preferential Subscription Period or the Additional Allocation Period (i.e., the Rump Shares), and, subject to the terms of the Underwriting Agreement, to subscribe for the maximum number of Underwritten New Shares set forth opposite its name if any Underwritten New Shares remain unsold after the Discretionary Allocation Period.

In addition, there are certain customary conditions precedent that must be complied with and which generally must be met no later than the Pre-Funding Time on the Execution Date, the date on which the Second Public Deed is expected to be granted. If any such conditions are not satisfied or waived, or any of the specified circumstances arises, or the Underwriting Agreement is otherwise terminated, then the subscription of Rump Shares during the Discretionary Allocation Period by investors or the Joint Global Coordinators, as applicable, will not occur and requests for the subscription of such Rump Shares will be without effect.

The termination of the Underwriting Agreement, or if the underwriting and pre-funding obligations of the Joint Global Coordinators under the Underwriting Agreement do not come into force as a result of the failure to fulfil or waive any conditions precedent, will be considered a significant factor which requires the publication of a supplement. In such event, holders of Preferential Subscription Rights that have exercised their Preferential Subscription Rights during the Preferential Subscription Period or requested additional New Shares to be allocated during the Additional Allocation Period will have the right as well as investors of New Shares allocated during the Discretionary Allocation Period, exercisable within two working days after publication of such supplement, to withdraw their subscriptions or requests, as applicable, if such significant factor arises before the closing of the offer.

RISK FACTORS

An investment in the New Shares and/or the Preferential Subscription Rights involves a high degree of risk. You should carefully consider the following risks and uncertainties, together with other information provided to you in this Prospectus (including the information incorporated by reference hereto), before deciding whether or not to invest in the New Shares and/or the Preferential Subscription Rights. If any of the following risks and uncertainties actually occur, the Company's business, prospects, results of operations, financial condition and cash flows could be materially affected. The trading price of the New Shares and/or the Preferential Subscription Rights could decline due to any of these risks and uncertainties, and you may lose all or part of your investment.

There may also be other risks and uncertainties of which the Company is currently unaware or that the Company does not currently believe are material that could harm the Group's business, prospects, results of operations, financial condition and cash flows and which, if they occur, could cause the trading price of the New Shares and/or the Preferential Subscription Rights to decline and you to lose all or part of your investment. Such risks and uncertainties include, among others, risks related to occupational health and safety risks, environmental risks, cyber risks and reputational risks. Consequently, the risks and uncertainties described below are not the only ones the Company is exposed to.

This Prospectus contains "forward-looking" statements that involve risks and uncertainties. The Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences are discussed below and elsewhere in this Prospectus (including the information incorporated by reference hereto). See "Presentation of Financial and Other Information—Forward-looking statements".

Investors should carefully review the entire Prospectus (including the information incorporated by reference hereto) and should reach their own views and decisions on the merits and risks of investing in the New Shares and/or the Preferential Subscription Rights. Furthermore, investors shall consult their financial, legal, and tax advisors

Risks related to the Group's business and industry in which it operates

The Group's Backlog^{APM} is based on internal projections and assumptions, subject to adjustments and cancellations and therefore may not be a fully accurate indicator of the Group's future revenue or earnings. Likewise, the conversion of the Group's Pipeline into Backlog^{APM} may be affected by external or internal factors, such as the effectiveness of the Group's commercial action

The criteria used by the Group to classify its orders under its Backlog^{APM} have been developed internally, are used solely for internal planning purposes and have not been verified by our independent auditors or any other third party.

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 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" and "Analysis of Alternative Performance Measures—Backlog^{APM}".

On the foregoing basis, the Backlog^{APM} as of the date of this Prospectus amounts to €10,731.85 million and the Backlog^{APM} as of December 31, 2022 amounted to €9,515 million (€8,719 million as of December 31, 2021).

Backlog^{APM} projects may be subject to uncertainty, delays, cancellations, difference in the translation of the relevant foreign currency to euros, adjustments for changes in the scope of work to be performed or costs incurred and, as of any date, may not be indicative of actual results of operations for any subsequent period. Backlog^{APM} at any point in time is affected by the timing of entry into new contracts. Additionally, there is no assurance that any pending or future projects will be completed or, if completed, that they will be completed on such same terms.

Contracts for services are occasionally modified by mutual consent of the parties and may be cancelled or extended under certain circumstances or at the discretion of the clients. As a result, although the Group believes that the estimated Backlog^{APM} at any particular date is the best estimate at that moment of the future revenue of the Company, the assumptions the Group uses to calculate Backlog^{APM} may need to be updated, which in turn could have an effect on the Group's Backlog^{APM} estimates.

The Group's definition and calculation of Backlog^{APM} may not necessarily be the same as that used by other companies engaged in activities similar to that of the Group. As a result, the amount of its Backlog^{APM} may not be comparable to the backlog reported by such other companies. The realization of the Group's Backlog^{APM} estimates is further affected by its performance under contracts. The Group's ability to execute its Backlog^{APM} is dependent on its ability to meet its clients' operational needs, and if it is unable to meet such needs, the Group's ability to execute its Backlog^{APM} could be adversely affected, which could materially affect the Group's business, prospects, results of operations, financial condition and cash flows. There can be no assurance that the revenue projected in the Group's Backlog^{APM} will be realized or, if realized, will result in profit. Because of potential changes in the scope or schedule of the contracts of the Group, it cannot predict with certainty when or if the Group's Backlog^{APM} will be realized. Even where a project is executed as scheduled, it is possible that the client may default and fail to pay amounts owed to the Group. Delays, payment defaults or cancellations, including as a result of the Covid-19 pandemic, could reduce the amount of Backlog^{APM} currently estimated, and consequently, could inhibit the conversion of that Backlog^{APM} into revenue, which would in turn materially affect the Group's business, prospects, results of operations, financial condition and cash flows.

Separately, the conversion of the Group's Pipeline into Backlog^{APM} may be affected by different internal or external factors.

Pipeline is calculated by the Group as the Group's share estimated amount of potential revenue from projects for which the Group has issued offer proposals that have not yet been awarded or projects for which the group is analysing the advisability of submitting a proposal. The projects included in the Pipeline are not and may never be part of the Group's Backlog^{APM} since those projects could not reach its final execution and therefore not be awarded at all or, in the event that those projects reach final execution, could not be awarded to Técnicas Reunidas.

If and when a project is awarded or signed to the Group, we remove it from our Pipeline and record the euro value of the contract in our Backlog^{APM}, or remove it from our Pipeline without recording it in our Backlog^{APM} if the project is awarded to a company other than Técnicas Reunidas or is not awarded at all. Pipeline does not refer to awarded or signed contracts and, as such, does not reflect any revenue generating activity. Pipeline as of any particular date is not indicative of actual results of operations for any subsequent period.

On the foregoing basis, the Pipeline as of the date of this Prospectus amounts to €70,044 million and the Pipeline as of December 31, 2022 was €69,473 million (approximately €45,000 million as of December 31, 2021). For each project included in the Pipeline, the Group assesses the probability of that project being awarded to the Group and therefore converted into Backlog^{APM}. As of December 31, 2022 the Group estimated that, out of the total Pipeline at that date, approximately 12.5% will be awarded to the Group and converted into Backlog^{APM}, which would take place between 2023 and the first quarter of 2024.

Furthermore, our Pipeline do not relate to awarded or signed contracts and, as such, do not reflect any revenue generating activity. The Group's ability to realize revenue from its Pipeline depends on a variety of factors, many of which are beyond our control and face significant uncertainties and contingencies, and, on any particular date, may not be indicative of actual results of operations in any subsequent period. These include factors such as the effectiveness of the Group's commercial action and bidding success, variability of market conditions and industry knowledge, as well as the accuracy of various internal and external estimates and assumptions including, without limitation, the award of Pipeline projects within our expected timeframe, the ongoing development of the energy transition trend, market credibility, continuous investment in research and development, availability of qualified personnel, and competitive pressures in the industry. See *"Risk Factors—The Group operates in highly competitive markets and competitive pressures could have a material adverse effect on our business"*; *"Risk associated with the current economic and political situation and the impact of inflation in the Group's revenue"*; and *"Failure to retain management, key personnel or attract qualified employees could limit our growth."*

The Group's revenue can be affected by cost overruns in projects developed under fixed-price contracts and deviations from assumptions in turnkey projects

As of December 31, 2022, 95.08% of the Group's Backlog^{APM} consisted of projects developed under fixed price or lump sum ("LS") turnkey contracts ("**LSTK Contracts**"). Under this modality, the Group completes all stages of the project from inception to completion for a predetermined fixed price and therefore the amount of payment does not depend on the amount of resources or time spent. These projects tend to move through the phases of engineering, procurement and construction ("**EPC**"), and have performance term ranging from 48 to 60 months. The amount of revenues or costs generated by the project in a period tend to differ depending on the phase of the project on that period.

The Company recognizes revenue on turnkey projects using the percentage of completion ("**POC**") method. This involves the Group recognizing an increasing proportion of contract revenue based on the percentage of completion. Generally speaking, the revenue recognized are based on prudent estimates of contract revenue, costs incurred and profitability and may not reflect actual revenue or

profits for the contract. In addition, although revenue and earnings may be recognized, these do not represent cash received by the Group.

In assessing the POC, the Group analyses the tasks effectively carried out, for which the different phases of engineering, procurement and construction are taken into account for each project. For engineering, the working hours actually incurred by each engineer on the project to date are considered; for procurement, on the basis of the progress of the costs incurred up to the delivery of materials and equipment; and for construction, a periodic physical measurement of the progress of the work is made, all at cost value. The calculation of the progress of the project is made by taking into account all costs incurred in accordance with the above criteria out of the total project costs and the revenue associated with the progress is recognised.

Because of the lag between recording of revenue and timing of invoicing, there will be a difference between the Group's revenue and cash flows for any particular reporting period, recognized through the receivables on the balance sheet. During the development of the projects and as result of their complexity, the Group may be forced to adjust estimates on one or more occasions as a result of change orders to the original contract, collection disputes with the customer on amounts invoiced or claims against the customer for increased costs incurred by the Group due to customer-induced delays and other factors. To the extent these adjustments result in a reduction of previously reported claims with respect to a project, the Group would recognize an offset against current claims, which could be material and result in a reduction of revenues in the relevant accounting period.

Turnkey projects can be priced in different ways. As is customary in the Group's sector, one the most usual contract pricing modalities under which the Group develops its turnkey projects is the fixed-price or lump sum. See "*Business—Contract types*".

This modality requires that the Group estimates in advance the cost of raw materials, equipment, labour and other overhead costs and determines the targeted profit margin to be reached under that fixed price. The agreed price can only be altered if a change in the scope of the services is agreed with the client.

Multiple factors can affect the cost estimates in LSTK Contracts. Execution costs may suffer deviations caused by additional works that do not constitute variations, logistic disruptions in the supply chain, the volatility of the prices of Group's key raw material (see "*Commodity supply and price volatility risks*"), unforeseen additional costs related to purchase of equipment, labour shortages, mechanical failures, delays caused by local weather conditions, health issues, natural disasters and failures by suppliers or subcontractors to perform their contractual obligations (see "*Risks associated with suppliers' contracting and outsourcing of services*").

In these cases, actual expenses incurred in executing LSTK Contracts can increase substantially compared to those originally anticipated, and the assessment of all the above factors involves a high level of judgment and estimates, which in some cases may not be sufficient to cover all the events to which a project may be subject. Such cost overruns may not be recoverable from the client.

The Group has experienced costs overruns and losses in the past. For instance, the Group incurred costs overruns in the enhancing project for Canadian Natural Resources Limited, which took place mainly during 2015 and 2016, as a result of delays in the construction of the last phases of the projects and excess of works in relation thereto.

Generally, the price and assumptions of the offer submitted by the Group in order to be awarded a contract are valid for a period varying from one to two months. If the client does not accept the offer within this period, the Group revises and updates the economic conditions and assumptions of the offer. Once the offer has been accepted by the client, depending on the terms of the LSTK Contract, the Group may not be able to increase the price of the contract to reflect factors that were unforeseen at the time its bid was submitted and therefore these factors could adversely affect the revenue and profits that the Group ultimately earns under these contracts.

Risk associated with portfolio concentration on a limited client base and limited number of countries

The portfolio may at certain times reflect a high concentration of projects or contracts on a small number of clients or specific countries.

The revenue generated by the Group's top five clients accounted for 61.92% of total revenue for the year ended December 31, 2022 (67% for the year ended December 31, 2021), while the revenue generation by clients that individually accounted for over 10% of total consolidated revenue for the year ended December 31, 2022 amounted to €1,742 million (€2,047 million for the year ended December 31, 2021). Likewise, the revenue generated by projects located in countries in the Middle East region accounted for 55.6% of total revenue in 2022 (75.5% as of December 31, 2021). Within this region, the countries which contributed the most to the revenue as of December 31, 2022 were Saudi Arabia with a 41.62% (34.67% as of December 31, 2021), United Arab Emirates with a 22.74% (23.05% as of December 31, 2021), Oman with a 12.04% (13.84% as of December 31, 2021) and Bahrein with a 10.24% (9.86% as of December 31, 2021).

Furthermore, as of December 31, 2022, 63.22 % of the total Trade receivables account (included in Trade and other receivables) was concentrated in 10 clients (83.62% as of December 31, 2021), and they relate to transactions with state-owned oil companies and top multinationals.

The main clients of the Group, listed in terms of Trade receivables contribution, are Sasa Olyester Sanayi, A.S.; Petroleos del Perú Petroperú, S.A.; GE Global Services GmbH.BR; Aramco Overseas Company B.V., and YPF, S.A. The top five clients were located in Turkey, Peru, the United States Saudi Arabia and Argentina.

The main projects developed by the Group in the financial year 2022 in terms of revenue contribution were the Marjan project, located in Saudi Arabia, which accounted for 12.81% of the Backlog^{APM}; the EPC Orlen project, located in Poland, which accounted for 9.33% of the Backlog^{APM}; the CRISP Exxon project, located in Singapore, which accounted for 6.24% of the Backlog^{APM}; the Buhasa project, located in United Arab Emirates which accounted for 1.22% of the Backlog^{APM}; and the New Pta Complex project, located in Turkey, which accounted for 0.4% of the Backlog^{APM}. See “*Business—Backlog^{APM} and Pipeline*”

As a result of this concentration, the level of revenue may not be equally distributed among the Group’s customer base and countries in which the Group operates, and thus be highly sensitive to developments in the relations with certain clients, and the geopolitical situation, market trends or diplomatic relations with those countries.

This impact of concentration could have an adverse effect on the business, financial position and results of the Group.

Demand for the Group’s services is highly dependent on the refining and natural gas industry activity and expenditure levels, which are directly affected by trends in the demand for and price of oil and natural gas

The Group provides services in the field of technology development and the construction, supply, operation and maintenance of industrial facilities for the industries of refining, natural gas, petrochemistry and low carbon technologies, among others. The engineering and construction sector is known for being a cyclical sector whose performance depends on the interest of the public and private sectors in undertaking investments. This level of investment is linked to the general economic situation, increasing during periods of economic growth and decreasing during periods of recession. Also, in recession periods, financial entities may be more reluctant to grant financing. A sustained economic environment unfavourable to investments (including, without limitation, any difficulty on the part of the Group’s customers to access financing for the completion of their projects) may, in turn, have a material adverse effect on the business, financial condition and results of the Group.

In particular, demand for the Group’s services depends to a large extent on the refining and natural gas industry activity and expenditure levels, which are directly affected by trends in the demand for and price of crude oil and natural gas. Fluctuations in the price of crude oil and natural gas can affect the investment, awarding and execution decisions made by the Group’s customers, as well as those of suppliers, competitors and partners, which could in turn reduce the demand for Group’s services.

The refining and natural gas industry has historically experienced periodic downturns, which have been characterized by diminished demand for oil and gas-related services and downward pressure on the prices the Company charges. In 2020, a year marked by the Covid-19 pandemic, reduction in mobility derived in oil demand falling by around 10% and natural gas demand falling by 2.5%. As a result, the price of Brent crude oil, which started the year at around \$68/barrel dropped to \$15/barrel at the end of the first quarter of the year, which lead to a slowdown in investment activity in the oil and gas industry.

Although currently oil and gas prices have rebounded from the downturn caused by the Covid-19 pandemic, reaching prices in 2022 of up to \$122.7/barrel (Brent) and €114.8/barrel (West Texas Intermediate), price and business activity levels are dependent on variables beyond the Group’s control, such as geopolitical stability in the Middle East region, the evolution of the armed conflict between Russia and Ukraine, OPECs actions to regulate production capacity or change in demand patterns arising from the energy transition. Continued volatility or any future reduction in demand for oilfield services could further adversely affect the Company’s financial condition, results of operations, or cash flows.

As a result of the foregoing, in periods when the demand for the products and services offered by the Group decreases, labour costs will increase as the Group will not operate at full capacity and will have more employees than necessary. Conversely, when demand exceeds the usual level, the Group may not be able to fully service the new demand, as its facilities will be operating at full capacity. Similarly, an excessive concentration of projects or any delays therein could lead to inefficiencies in staff management. This could adversely affect the activities, financial position and results of the Group.

Commodity supply and price volatility risks

The Group uses certain raw materials and commodities in its construction processes, especially oil, gas derivative products and metal alloys. The main metal alloys used by the Group include carbon steel, stainless steel, copper, alloy steel and other complex metals such as titanium, inconel, hastelloy and monel. These key raw materials and commodities account for approximately 40% to 80% of the main components used by the Group or its subcontractors for the development of the projects and, consequently, have a relevant impact in the costs associated to the development of its projects. The availability and volatility of the prices of these main raw materials are dependent on fluctuations in supply and demand in the corresponding markets, as well as on potential global shortages and disruption of global supply chains. Different external events out of the Group's control such as the Covid-19 pandemic, the armed conflict in Ukraine, geopolitical decisions or weather conditions may affect the availability and increase the volatility of the prices of the Group's key raw materials and therefore impact the execution and delivery schedules of the projects. According to data from MEPS International, between 2021 and 2022 carbon steel prices ranged between \$700 and \$1500.

The Group is affected by the supply and price risk mainly in the period elapsing between the project award to the Group and the placement of orders to the subcontractors in charge of providing the supplies and components, as the risk is transferred to the subcontractor from that moment onwards. In order to mitigate the risk in the aforementioned period, the Group increases and decreases the pace of placements with subcontractors, reaches agreements with suppliers to purchase raw materials in advance and selects the currencies and countries of origin of the raw materials. Likewise, the Group enters into commodity hedging derivatives aimed at securing that the required amount of raw materials is available at the time scheduled for the project to start. Furthermore, the Group prioritise contracting models that allow a portion of the price to be used to cover possible cost deviations and provide for the possibility to index, in specific cases, the prices of determined supplies to the prices of the related raw material.

Nevertheless, the evaluation and hedging of these factors require a high level of judgement and estimation that may not always be accurate enough to fully cover these risks. For instance, the specific metal alloy required for the projects developed by the Group depends on the characteristics of the project and the preferences of the customers, which means that the percentage of the specific metal to be used cannot always be exactly known, making it difficult to define beforehand the optimal mechanisms for hedging the price variation of these products.

Changes in raw materials and commodity prices or availability, changes in the way in which the Group obtains raw materials, or any failures in the hedging or contractual policy could affect the business, financial situation and results of the Group.

In certain countries the Group is dependent on a limited number of suppliers and subcontractors to provide and outsource its services

If the Group is not able to obtain the necessary materials and components for its projects that meet its quality, quantity and cost standards on time, its capacity to construct or develop a project could be interrupted and its production costs could be increased. As a result, the Group is exposed to third-party risk with respect to suppliers and/or contractors who may be engaged to construct, operate or maintain its projects.

Although the Group is not dependent upon any single supplier, it maintains lasting relationships with certain suppliers and subcontractors such as Hyundai Heavy Industries Power Systems, Baker Hughes, Siemens Energy, Larsen & Toubro LTD, Zamil Process Equipment Co LTD or ABB Group. Consequently, certain geographic areas such as Spain, Canada and Saudi Arabia depend on a greater extend on these suppliers for fabrication of materials or semi-finished goods. If the Group is unable to subcontract certain services and/or purchase equipment and/or materials according to the corresponding forecasts, quality standards, specifications and budgets, or the relations with the suppliers and subcontractors worsens, the Group's ability to carry out its activities may be affected.

Any delay, failure to meet contractual obligations, or other event beyond the Group's control or which the Group would have not been able to foresee, that is attributable to a subcontractor or supplier, could lead to delays in the overall progress of a project. This may in turn lead to a risk of penalties, termination of contracts or liabilities, which could have a negative impact on the Group's financial position.

Additionally, the Group and its subcontractors have to comply with the labour regulations of the various jurisdictions in which they operate and, provided that as of December 31, 2022, 58.24% of the Group's employees were based in Spain, especially with those applicable in Spain. Compliance with Spanish labour law provisions is relevant because any failure to do so could entail the following risks: (i) statutory liability regime between the principal and the contractors; and (ii) the unlawful assignment of employees in the event the real purpose of the subcontractor agreement is to assign employees to the principal, who directs, organises and manages the employees. In the first case the liability regime is mandatory and parties cannot contract out or around it. Therefore, these liabilities must be managed by monitoring the contractors' ongoing compliance with their labour, social security and OHS obligations, what is actually done by the

Company through different tools and mechanisms of control. In the second case, if an unlawful assignment of employees is found to exist, (i) the principal and the contractor or subcontractor would be jointly and severally liable for all employment and social security liabilities regarding the assigned employees; (ii) the assigned employees would be entitled to opt to become permanent employees of the principal; and (iii) potential penalties. In this regard, should any of these risks occur, the consequences could have a material adverse effect on the financial position and results of the Group.

The failure of any supplier or subcontractor to fulfil its contractual obligations to the Group may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to risks associated to its expansion into the low carbon technologies industry, a newly created segment that will require investment and revenue generation to show profitability

The Group growth in the low carbon technologies industry may expose it to additional business risks that are different from those that it has experienced to date.

Revenue from the Low Carbon Technologies business division was €5,716 thousand for the year ended December 31, 2022, which represented 0.14% of the Group's consolidated revenue for such period, and €481 thousand for the year ended December 31, 2021, which represented 0.02% of the Group's consolidated revenue for such periods. In terms of project development, as of December 31, 2022, Backlog^{APM} associated to the Low Carbon Technologies segment amounted to €442 million and Pipeline amounted to €9.2 billion.

The operating result of the Low Carbon Technologies segment in the year ended December 31, 2022 amounted to a loss of €1,114 thousand (a loss of €747 thousand in the year ended December 31, 2021). As a newly created segment, until the level of revenue derived from the services provided under the segment reaches the level required to cover the costs associated with the start up of the segment, it will not reach profitability.

The Group will devote a portion of the proceeds from the Offering to finance the operational expenditures that will be required by the Low Carbon Technologies segment in the context of the energy transition, covering the segment's annual cash needs which are expected to arise throughout 2023, 2024 and 2025 and which will be related to: (a) the investment required to set up platforms for business development and project structuration in Spain, Europe and the United States, with dedicated teams for project structuration in the aforementioned regions; (b) the requirements in the early development stage of self-sourced projects through the activity of project structuration; (c) the investment of engineering services in the development and scale up of low carbon technologies; and (d) the support in early development stages of third party sourced projects. See "Use of Proceeds"

Although the Group expects demand for its services on Low Carbon Technologies business to continue to grow in the coming years, this market may not grow as quickly or otherwise develop in the way that the Group expects.

If the Group is unable to effectively tailor its service capabilities to Low Carbon Technologies projects, or to maintain its reputation as a leading service provider for clients undertaking Low Carbon Technologies projects, it could experience a loss of existing clients and a failure to win targeted new clients or bids. Although the expansion into the low carbon technologies industry does not require a significant amount of investment, the failure of the Group to adequately position itself in this sector may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group operates in highly competitive markets and competitive pressures could have a material adverse effect on our business

All the activities carried out by the Group through each of its business segments take place in highly competitive sectors that require significant human, material, technical and financial resources and in which other specialized companies and large international groups operate. The groups and companies with which the Group compete in its different business segments may have greater material, technical and financial resources than the Group, or more experience or better knowledge of the markets in which the Group operates or seeks to expand its business, or require a lower return on their investment and, consequently, be able to submit better technical or economic offers than those of the Group.

According to data from the Company and peer's annual reports, major competitors of the Company are Technip FMC (revenue of c€6.7 billion in 2022), Saipem (revenue of c€9.9 billion in 2022), Maire Tecnimont (revenue of c€3.5 billion in 2022), Wood (revenue of c€5.4 billion in 2022), JGC (revenue of c€4.5 billion in 2022), Fluor (revenue of c€13.7 billion in 2022) and Petrofac (revenue of c€2.4 billion in 2022).

This competition could intensify because of new companies or private investors seeking to enter the market or due to consolidation of the markets in which the Group operates.

Likewise, the Group depends on successfully bidding and being awarded projects in the different business segments in which it provides services. Competitors may bid aggressively in the tenders in which the Group participates and may calculate their bids based on assumptions of low prices for project components, as well as low construction, maintenance, capital, labour and other costs. Such bids may put downward pressure on the average sale price and may make it more difficult for the Group to submit winning bids or submit bids at prices that ensure targeted or sufficient returns.

Additionally, the energy transition and the emergence of new products and production technologies has driven the Group to adapt its production sites and services to answer to the demands from its clients in fields such as bio-products manufacturing, carbon capture and methane management. See “*Business—Decarbonisation and energy Transition*”. These developments in the Group’s activities require investments in new technologies, research and development and in capturing and retaining qualified personnel. In this regard, the Group’s competitors may be in a better position to invest in solutions related to the energy transition and to allocate resources towards the exploration of potential new technologies and research and development. Furthermore, the competitors may be more appealing and effective in attracting and retaining talent. These factors may lead to the Group not achieving a competitive position in the context of energy transition and have a negative impact on the business, financial position and results of the Group.

Any of the foregoing factors could impair our ability to successfully compete in our industry, which could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

The Group’s failure to timely deliver its projects could affect future sales, profitability and relationships with its customers

The contracts that the Group enters into with its clients usually require long manufacturing lead times due to complex technical and logistical requirements. These contracts may contain clauses related to execution deadlines and liquidated damages regarding on-time delivery.

The ability of the Group to meet client delivery schedules for its projects is dependent upon different factors, such as a adequate supply and construction logistics, raw material availability, access to the equipment and material required for the delivering of products and the rendering of services, adequately trained and capable workforce, subcontractor performance, project engineering expertise and execution, sufficient manufacturing plant capacity, and appropriate planning and scheduling of manufacturing resources.

A failure by the Group to deliver the project in accordance with the client’s expectations could subject it to liquidated damages, result in the imposition of penalties by clients, reduce its margins on these contracts, or result in a worsening in existing client relationships. For instance, in 2021, the Teesside project awarded to the Group was terminated by the client on the grounds of delays in the development of the works. This situation, caused by the impact of Brexit and the effects of the Covid-19 pandemic involved the payment by the Group of liquidated damages in an amount of €100 million.

Additionally, in certain instances, the Group has provided performance bonds in respect of products and services it has contracted which can be enforced by the clients in the event of non-compliance with the terms provided for in the project’s contracts. See “*Risks associated with guarantees and sureties provided by Group entities in the course of their business*”

The imposition of these penalties or the execution of the guarantees granted by the Group may have a material adverse effect on the business, financial condition and results of the Group.

Risks arising from the Group’s presence in multiple jurisdictions

As a result of the Group’s diversification and internationalization, most of the Group’s revenue are generated outside Spain through the different companies that make up the Group. Specifically, in the year ended December 31, 2022, approximately 98.31% of the Group’s revenue were generated outside Spain and approximately 27% of the revenue was generated in rising markets such as Bahrain, Kuwait, Algeria, Argentina, Chile, Colombia, Mexico, Peru, or Turkey.

This internationalization means that the Group’s business is subject to general global risks associated with an international business such as restrictions on international trade, political instability, corruption, fluctuations in local economic growth, high inflation, devaluation, depreciation or excessive valuation of local currencies, transportation delays, changes in interest rate environment and changes in local tax and general laws and regulations.

Additionally, the Group’s expansion and consolidation in rising markets create exposure to certain risks not present in more mature economies. Rising markets are subject to political and legal risks less common in Europe and North America, including nationalization and expropriation of privately held assets, political and social instability, sudden changes in the regulatory framework and government policies, changes in fiscal policies and price controls. Rising markets are also more exposed than developed markets to the risk of macroeconomic instability and volatility in terms of GDP, inflation, exchange and interest rates, foreign currency devaluation and political

changes affecting economic conditions. Instability in a rising market may lead to restrictions on foreign exchange movements or repatriation of profits and imports of capital goods. In particular, as regards rising countries the Group is exposed to risks arising from the geopolitical tensions between Spain and Algeria (see *“Risks associated with the geopolitical conflict between Spain and Algeria”*) or high inflation in countries such as Argentina (94.8% as of December 31, 2022, according to data from the Central Bank of the Republic of Argentina) or Turkey (64.27% as of December 31, 2022 according to data from the Central Bank of the Republic of Turkey) (see *“Risk associated with the current economic and political situation and the impact of inflation in the Group’s revenue”*). Our activities in rising market countries therefore engage a number of risks that are more prevalent than in developed markets. It is not possible for the Group to make a reliable prediction as to the probability of materialization of any of these potential risks, although such materialization could have a material adverse effect on the business, financial position and results of the Group.

Similarly, the provision of services in a multi-jurisdictional environment requires additional efforts on the part of the Group to comply with all the legal requirements of each of the jurisdictions where it operates. Failure to comply with any of the multiple standards required may result in the revocation of concessions and licenses, or in the imposition of fines or penalties, among other measures that may be taken. Therefore, compliance with these regulatory requirements and, in particular, with the requirements derived from strict environmental regulations in certain countries may involve significant costs for the Group’s operations, which could have a material adverse effect on the Group’s business, financial condition and results of operations.

Likewise, the regulations may grant a wide margin of discretion to the competent public authorities. Legislation is subject to possible changes, which could even have retroactive effects and, therefore, adversely affect the maintenance and/or renewal of those licenses and authorizations already granted, the obtaining of new licenses, property expenses and transfer costs and the value of assets. These regulatory changes could also lead to an increase in investment costs or current expenses. Any of these circumstances could have a material adverse impact on the Group’s business, results of operations and financial condition.

Moreover, any change in current tax legislation (including double taxation treaties) in the countries where the Group operates or a change in the interpretation of such legislation by the tax authorities, as well as any change in accounting standards as a result of the application of tax regulations, may have a material adverse effect on the financial position of the Group.

In order to mitigate the risks arising from the Group’s provision of services in multiple jurisdictions, the Group has implemented a number of measures, including the following: project selection based on detailed customer and country analysis (establishing a local presence before bidding), and other aspects such as project-specific margins and risks, use of modular construction schemes in locations where labour shortages or site conditions allow for savings compared to other options, the inclusion in contracts, where possible, of referral of disputes to courts or arbitrators in countries where the Group is experienced, the inclusion in contracts, where possible, of clauses allowing prices to be adjusted in the event of changes to applicable laws, adoption of flexibilisation measures for the purpose of adapting the Group’s activity to local content requirements, development of Base Erosion and Profit Shifting (“BEPS”) policies, implementation of a Group Internal Tax Risk Manual setting out the Group’s tax strategy and internal tax risk management procedures, implementation of training actions and internal research plans, definition of tax strategies with local advisors in the bid phase and monitoring, in the execution phase, of tax assessments submitted with the support of local advisors and identification of events or deviations from the initial strategies.

However, the Company can give no assurance that the policies established to mitigate the risks arising from the provision of services in multiple jurisdictions and the submission to different legislative systems are adequate or sufficient to cover such risks, or that circumstances not foreseen by these measures may arise in the future that require adjustment of these measures.

The materialization of any of the risks (or a combination thereof) arising from the provision of services in multiple jurisdictions and from being subject to different legislative systems could affect the business, financial condition and results of the Group.

Risk associated with the current economic and political situation and the impact of inflation in the Group’s revenue

The evolution of the Group’s activities is closely related, in general, to the economic cycle of the countries and regions where the Group operates. An upward economic cycle is normally reflected in a positive performance of the Group’s businesses. The business, financial condition and results of operations of the Group could be adversely affected if the global economic environment enters a period of generalized recession and is unable to recover quickly.

A relevant factor affecting the current global economic situation is the inflationary effect caused by the impact of the Covid-19 pandemic, the supply chain disruptions and the conflict between Russia and Ukraine. According to the IMF data, global inflation reached 8.8% in 2022 and is expected to decrease to 6.6% in 2023 and 4.3% in 2024. This level of inflation is reflected in both advanced and emerging economies and has had a significant impact on the growth of the world economy, given that the monetary policies of central banks have

generated interest rate hikes, with the potential effect of this on the aggregate demand of countries and therefore on their growth. This inflationary pressure may affect the Group's activities and results, particularly as a consequence of the interest rate increases carried out by central banks in order to stabilise inflationary pressure. For instance, in March 16, 2023, the European Central Bank ("ECB") decided to further increase the three key interest rates by 50 basis points. Accordingly, the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will be increased to 3.50%, 3.75% and 3.00% respectively. An increase in the ECB interest rates translates in higher interest rates at which financial entities lend money which affects the costs associated with the Group's financing and overall costs of the projects. Additionally, inflation may cause further disruptions to supply chains, which could in turn affect availability of materials or equipment required by the Group to develop its activities and cause delays in the performance of its contractual obligations. In relation to the inflation effect, the Company considers Turkey and Argentina as hyperinflationary economies according to accounting standards and applies IAS 29 'Financial Reporting in Hyperinflationary Economies' to its businesses in Turkey and Argentina. See "*Risk Factors—The Group's failure to timely deliver its projects could affect future sales, profitability and relationships with its customers*"; "*Commodity supply and price volatility risks*" and "*Key Factors Affecting the Comparability of the Group's Financial Condition and Results of Operations—Hyperinflation in Turkey*"

In particular, given the Group's activities relevant exposure to countries in the Middle East (Abu Dhabi, Azerbaijan, Bahrain, Jordan, Kuwait, Oman, Qatar and Saudi Arabia), the economic and political situation in that region specially affects the Group's activities. In the Middle East, the current situation is marked by the impact of the conflict in Ukraine, which will keep energy and food prices high and that particularly affects areas highly dependent on the Ukrainian grain imports. Moreover, although some countries within the Middle East region will benefit from increased revenues as a consequence of the high oil and gas prices, this increase will not be equally distributed in all the countries. Furthermore, other factors such as political disruptions arising from elections or potential negative effects caused by the climate change could harm the economic and political context of the region.

Other factors such as (i) the international tensions derived from international politics, for example, U.S. foreign policy and conflicts between the U.S. and China; (ii) the financial situation and uncertainty in the international scenario, including deflation, (iii) the migration crisis in Europe; (iv) the armed conflict in Ukraine; (v) the geopolitical conflict between Spain and Algeria (see "*Risks associated with the geopolitical conflict between Spain and Algeria*"); and (v) terrorist and military actions carried out in Europe and other parts of the world, could negatively affect the global economic situation, the Eurozone and Spain, as well as specifically the oil and gas market.

All the above may be harming for the evolution of business activity, employment and consumption and consequently leading to significant falls in global, European and Spanish GDP levels. This could have a material adverse impact on the business, operating results and financial condition of the Group.

Risks associated with the conflict in Ukraine and EU sanctioned countries

On February 24, 2022, an armed conflict commenced in Ukraine. As a result thereof, the EU, EU Member States, Canada, Japan, the United Kingdom and the United States, among others, have developed and continue to develop coordinated sanctions and export-control measure packages against Russia, Belarus, and certain regions of Ukraine. The uncertain nature, magnitude and duration of the conflict and potential effects of it and of actions taken by Western and other states and multinational organisations in response thereto, including, amongst other things, sanctions, export-control measures, travel bans and asset seizures, as well as of any Russian response actions (including, amongst other things, restrictions on oil and gas exports), on the world economy and markets, have contributed to increased market volatility and uncertainty. As a result of the aforementioned restrictions imposed by the EU and other international bodies, the Moscow refinery revamping project awarded to the Company by Gazprom, with a total contract amount for the Company of €234 million, was cancelled. At the time of cancellation, the services provided by the Group were limited to the engineering services within the EPC. The total project had reached a progress level of 4.75% and the costs incurred for the development of the engineering services were satisfied to the Group. Although this suspension has not resulted in a loss for the Group, it has been adversely affected by the non-realisation of the expected revenue related to the project. As of the date of this Prospectus, the Group has no active projects in Russia nor Ukraine. The Group's only nexus to Russia in terms of sales, assets or contracts is limited to certain receivables for works performed in 2022 for the Lukoil Feed project, the contract value of which amounted to €11.76 million and reached a level of physical progress of 97.78% as of July 15, 2022, and of 99.7% as of December 31, 2022 and the branch of the Company located in Moscow with 7 employees as of the date of this Prospectus. Moreover, the Company received in 2022 the relevant licences and authorisations from the Spanish State Secretariat for Trade under the Ministry of Industry, Trade and Tourism required to complete the residual pending activities of the project, which by its nature were in any case not subject to specific sanctions. As of December 31, 2022 there are works pending to be billed and collected in an amount of €3.38 million according to the contractual payment schedule.

In addition, both the military conflict and the associated sanctions have significantly affected the stability of the markets, especially in geographic areas close to the conflict, and are contributing to further increases in the prices of energy, oil and other commodities, and

further disrupting supply chains. This may lead to a significant increase in costs that will put pressure on business margins and ultimately affect the evolution of investment. In this regard, major disruptions have been generated throughout the supply chain of the engineering and construction industry in the energy sector. This has mainly resulted in higher prices for equipment and materials and significant instability of suppliers' offers. See "*Commodity supply and price volatility risks*".

Additionally, this conflict is not only affecting the countries involved, but also markets in countries bordering or closely related to Ukraine such as Poland, where the start-up of the projects for the Group's clients PGE Polska Grupa Energetyczna and PKN Orlen is proving difficult due to lack of manpower. Also, this scenario may pose difficulties for these clients in the event they have to respond to cost deviations in the projects developed by the Group. The economic valuation of these impacts as of December 31, 2022 amounted to €50 million, which were calculated and recorded reducing the final estimated profit of the projects that are recognised by level of progress.

The world economy has been significantly impacted by this conflict and, in particular, Europe, which is dependent on Russian gas. According to data from the International Monetary Fund for the world economy as a whole, forecasts as of January 2023 estimate a global economic growth of 2.9% in 2023 and 3.1% in 2024.

All of the above, as well as any further escalation or stagnation of the conflict either inside or outside of Ukrainian borders may have a material adverse impact on macroeconomic factors which affect the Group's business, results of operations, cash flows, financial condition and prospects.

Risks associated with the geopolitical conflict between Spain and Algeria

In June 2022, Algeria suspended the treaty of friendship, good neighbourliness and co-operation signed with Spain in 2002 in order to promote dialogue and cooperation on political, economic, financial, education and defence issues, as a result of the latest positioning of the Spanish Government in connection with the matter of the Western Sahara dispute between Algeria and Morocco.

The suspension of the treaty derived in the cessation of imports of goods and services from Spain, and has negatively affected energy prices as a result of Spain's dependence on gas supply from Algeria, especially in the context of the current war between Russia and Ukraine and the rising energy prices derived from it. In this regard, in 2021, the Algerian company Sonatrach furnished Spain with more than 40% of its imported natural gas, most brought in via the underwater Medgaz pipeline. Another supply route to Spain was via the Maghreb Europe pipeline that passes through Morocco, but that was shut off after the August break in diplomatic ties between Algeria and Morocco.

In August 2013, the Company announced the award of the Touat Gaz project for a contract value of \$1 billion to develop the facilities of a hydrocarbon complex in southwest Algeria. The project included engineering, procurement, construction and commissioning of the gas processing facilities, with an estimated gas production capacity of thirteen million cubic metres per day. In September 2019, the customer, a consortium formed by Neptune Energy and Sonatrach (the national oil company of Algeria), commenced export of the gas processed by the plant and, in June 2020, the customer issued the provisional acceptance certificate for the plant, publicly expressing a high level of satisfaction. In October 2020, the Company claimed the client compensation for the costs incurred for additional works requested by the client during the development of the project, which amounted to €200 million, initiating a negotiation process for that purposes that has been extended through 2021 and 2022. In the middle of these negotiations, and in the context of the geopolitical tensions between Algeria and Spain, on June 8, 2022, the consortium formed by Neptune Energy and Sonatrach enforced the performance guarantees that the Company issued under the Touat Gaz project in their total amount, equivalent to €80 million, which have already been paid by the Company, and finalised the negotiations related to the additional costs incurred by the Company. The Company's efforts to resume negotiations were unsuccessful and the execution of the performance guarantees materialised. The Company has initiated an arbitration proceeding before the International Chamber of Commerce to enforce its rights under the contract and recover the costs incurred in excess and the enforced guarantees. The amounts claimed by the Company in relation to this proceeding are approximately €280 million. See "*Business—Legal Proceedings—Proceedings related with the Group's Activity*".

Additionally, the business environment in the country may pose additional challenges to the Group and its client to manage the restart of the Hassi Messaoud refinery project, which was suspended as a result of the Covid-19 pandemic and which is accounted for in the Backlog^{APM} calculation. This project was awarded by Sonatrach to a consortium formed by the Group (55%) and Samsung Engineering Ltd.Co (45%) in January 2020, prior to the outbreak of the Covid-19 pandemic, and consisted in the execution of an EPC contract for the development of a refinery in Haoud el-Hamra, Hassi Mesaoud, Algeria. The contract amounted to €3,700 million, out of which €1,836 million corresponded to the Group. The development of the engineering phase of the project was carried out during 2021 and 2022. The commencement of the procurement and construction phase was scheduled for 2023. The consortium is still working with the client to agree the scope and timing of the project.

All of the above, as well as any further development in the tension and conflict between the Spanish and the Algerian governments, could have a material adverse impact on macroeconomic factors which affect the Group's business, results of operations, cash flows, financial condition and prospects.

Risks related to the Group's participation in temporary joint ventures and other business undertakings

The Group bids and may continue bidding for certain projects jointly with joint venture or consortium partners. The Group may face claims from third parties for actions of its members as a result of their participation in the selection of a specific work or business in "Uniones Temporales de Empresas", joint ventures, economic interest groupings or any other form of business grouping, whether domestic or foreign and beyond the Group's control, which could have a material adverse effect on the financial position and results of the Company and/or the Group's companies.

See Appendix III and IV of the 2022 Audited Consolidated Financial Statements for a comprehensive list of the joint operations, temporary joint ventures, consortiums and permanent establishments of the Company and its subsidiaries included in the scope of consolidation.

The amounts shown below represent the Group's share, in accordance with the percentage corresponding to it, in the assets and liabilities and the income and profit/(loss) of the joint ventures and "Uniones Temporales de Empresas" with third parties listed in Appendix III and IV (See Note 32 of the 2022 Audited Consolidated Financial Accounts):

	2022	2021
	Thousands of euros	
	(audited)	
Assets:		
Non-current assets	3,125	1,680
Current assets	1,055,170	394,103
	1,058,295	395,783
Liabilities:		
Non-current liabilities	36,895	1,477
Current liabilities	1,066,737	467,900
	1,103,632	469,377
Net assets	(45,337)	(73,594)
Revenue	1,100,635	243,226
Expenses	971,562	99,091
Profit/loss after tax	129,073	144,135

Although as of the date of this Prospectus this situation has never materialised, these participations also involve the risk that one of the members may become insolvent or fail to fund its share of any additional capital contributions that may be required, which could affect the completion of the relevant project.

In certain cases, the Group may have less control of such activities than it would have if it had full operational control. In these circumstances, the Group's ability to maximise the profitability of any contract awarded to it may be adversely affected by the performance of its joint venture, joint operation or consortium partners. In addition, the Group may be dependent on the expertise of partners in assessing certain costs of the contract. To the extent such costs are inaccurately calculated in relation to lump sum turnkey contracts, the Group may be exposed to its share of any cost overruns of the joint venture, joint operation or consortium, which may have a material adverse effect on its business, financial position and results of operations.

Furthermore, joint venture, joint operation or consortium partners may have economic (or other) interests that are not aligned with the Group's interests, which could result in deadlocks, in the Group's plans not being implemented (such as active asset management measures) or in the implementation of alternative plans to those originally envisaged. If such third parties were to take actions contrary

to the Group's interests and plans, the Group would be faced with the risk of a decision-making deadlock that could adversely affect its ability to implement its strategies or delay or prevent the disposal of the related asset.

The Group has cash from joint arrangements with other partners, which amounted to €436,675 thousand as of December 31, 2022 (€479,181 thousand as of December 31, 2021). The Group may be unable to control the amount of cash it receives or retains from the operation of these entities, as availability of this cash is subject to unanimous agreement of the partners making up the relevant joint venture, joint operation or consortium, which could negatively affect its working capital position. Consequently, the amount of unrestricted cash and cash equivalents for the Group as of December 31, 2022 amounts to €523,005 thousand.

Finally, any conflict, litigation or arbitration resulting from disputes with these third parties could increase expenses for the Group and divert its attention and focus from its core business. In certain circumstances, the Group may also be responsible or jointly liable for actions or proceedings taken by or against such third parties.

This could have a material adverse effect on the business, results and financial position of the Company and other Group companies.

Risk of litigation, claims and administrative sanctioning proceedings

The Group may, in the course of its business, be involved in litigation, claims and administrative disciplinary proceedings, including tax proceedings, the outcome of which may be uncertain. In particular, the Group has recorded provisions in its consolidated balance sheet to cover contingencies and charges, including payment obligations to project partners, provisions for probable risks, and provisions for other non-current payments to be made. As of December 31, 2022, the Group has recognised provisions for a total of €81 million relating to litigation, arbitration and claims with clients and subcontractors related to claims for amounts or enforcement of guarantees in the context of the development of certain Group projects, in particular regarding the Touat Gaz project in Algeria (€45 million out of the total provision recorded). Other proceedings in which the Group is involved include, among others, the arbitration in Asia, the proceedings initiated in connection with the MGT Teesside project, the arbitration proceeding against BEMCO and the arbitration proceeding against the KPP Finland joint venture. See "*Business—Legal Proceedings—Proceedings related with the Group's activity*".

Furthermore, with regard to tax proceedings, the Group filed various appeals before the National Court (as defined herein) in order to discuss the relevant assessments arisen from previous tax audits conducted by the Spanish tax authorities. These proceedings included (i) the inspection of the corporate income taxes for the years 2008 to 2011 (both inclusive), which was resolved by the National Court in February 2023 in favour of the Company and all of the eleven UTEs that filed an appeal, (ii) the non-conformity proposals and penalty proposals related to the Company's 2012 to 2014 (both included) Corporate income taxes, and (iii) the inspection of the value added tax ("VAT") tax for the years 2009 to 2011 further extended to years 2012 and 2013. In addition, the Company intends to file, prior to June 4, 2023, another appeal against the TEAC resolution communicated on April 4, 2023, regarding years 2014 to 2015 (both included), for the rest of the taxes. See "*Business—Legal Proceedings—Tax proceedings*".

So as to suspend the payment of the tax liabilities included in these assessments, the Group has submitted the corresponding guarantees to the Spanish tax authorities in the amount of €130.4 million, plus €27.5 million for interest on arrears accrued as a result of such tax liabilities.

As regards the income tax proceedings before the National Court, in February, 2023, the National Court ruled in favour of Técnicas Reunidas, recognizing that the application by the Group of the exemptions applied in connection with the financial result of the UTEs was in accordance with the law. As of date of this Prospectus, the National Court has notified twelve rulings in relation to these tax settlements. One of them is that issued in the procedure followed against Técnicas Reunidas, in its capacity as the parent entity of the tax consolidation group, which is the entity to which the aforementioned debt was fully assessed, and the other eleven rulings correspond to the procedures followed with eleven of the regularized UTEs. See "*Business—Legal Proceedings—Tax proceedings*".

These rulings have no impact on the Group's income statement. In March 23, 2023, the Company was notified that the State attorney's Office filed a cassation appeal against the rulings. The Company will have a period of 30 business days to file a notice of opposition to the admissibility of the appeal before the Supreme Court. In the opinion of the Company's management and its advisors, it is unlikely that the appeals would be admitted for processing and, in the unlikely event that the appeals in cassation were to be admitted, the likelihood that they would be upheld by the Supreme Court would be very low.

On the basis of certain technical opinions, both the Company's management and its legal advisers have concluded that it is not likely that the amount of the tax assessments appealed before the National Court will have to be paid. Consequently, the Company's management and directors considered that it was not necessary to recognise any liability nor provision for these purposes.

Apart from the above, the Company has the following years open for potential inspections:

Tax	Years
Income tax	2015-2022
Value-added tax	2016-2022
Personal income tax	2016-2022
Taxes other than income tax	Last 4 years

The Group cannot guarantee that the results of current or future legal, administrative or regulatory proceedings or actions will not materially harm its business, financial condition, results of operations and prospects nor can the Group guarantee that it will not incur losses in connection with current or future legal, administrative or regulatory proceedings or actions that exceed any provisions it may have set aside in respect of such proceedings or actions or that exceed any available insurance coverage, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Failure to retain management, key personnel or attract qualified employees could limit our growth

Our ability to operate our business and implement our strategies depends on the continued contributions of our Executive Chairperson, Mr. Juan Lladó Arburúa, our Chief Executive Officer, our senior management, our engineers and other personnel.

The loss of key personnel or deficiencies in their training may increase the risk of unsatisfactory implementation of projects. Additionally, the Company may face reduced availability of qualified personnel due to the increased demand worldwide in areas such as renewable energies or infrastructures. In particular, failure to engage and retain qualified personnel with expertise in the field of the energy transition services may reduce the Group's ability to provide services that meet the client's expectations in this new scenario. See "*The Group operates in highly competitive markets and competitive pressures could have a material adverse effect on our business*"

The unplanned loss of the services of any members of our senior management may adversely affect our business and result in a delay in the administration or decision-making processes until a suitable replacement can be found. There may be a limited number of persons with the requisite competencies to serve in these positions and we cannot assure that we would be able to locate or employ such qualified personnel on terms acceptable to us, or at all, which may impact our relationships with customers and/or suppliers.

These factors could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Risk associated with the Covid-19 pandemic

In March 2020, the World Health Organization (WHO) declared Covid-19 a global pandemic, and governmental authorities around the world implemented measures to reduce the spread of it. The governmental measures adopted in this context, which initially included among others, isolation, confinement and restriction of free movement, have adversely affected companies, workforces, customers, consumer sentiment, economies, and financial markets, and, along with decreased consumer spending, have led to an economic downturn in the markets in which the Group operates, as well as an increase on unemployment levels, high volatility in the stock markets, disruption of global supply chains, exchange rate volatility, steady customer draws on lines of credit, stagnation in real estate prices, and uncertainty in relation to the future impact in regional and global economies in the medium and long term.

The cumulative net effect of the impact of the Covid-19 pandemic recorded as of December 31, 2022 amounted to a loss of €248 million. Of the aforementioned cumulative net effect, €148 million relates to non-recoverable costs from the Group's clients and €100 million is linked to the termination of the Teesside project in 2021 as explained in the paragraph below.

The intensity with which the Covid-19 pandemic has impacted the Group's results has varied in the years during which the effects of the pandemic have been experienced. In the year ended December 31, 2020, the costs directly associated to the effect of the Covid-19 pandemic amounted to €207.7 million, out of which €149.9 million were expected to be recovered from the clients and €57.7 million were non-recoverable costs. In the year ended December 31, 2021, when the impact of the Covid-19 pandemic was particularly significant, the costs directly associated to the Covid-19 pandemic amounted to €460.9 million, out of which €248.3 million were expected to be recovered from the clients and €112.6 million were considered as non-recoverable costs. Furthermore, the Group was impacted by the termination by the client in April 2021 of the Teesside project as a consequence of the Covid-19 pandemic, which resulted in a loss of €100 million. The impact of the Covid-19 pandemic in the year ended December 31, 2022 was limited and consisted of non-recoverable costs in an amount of €18 million mainly related to the safety measures maintained by the Group. Additionally, as of December 31, 2022, the Group had costs expected to be recovered from the clients in an amount of, approximately, €40.5 million. Consequently, out of the total amount of costs recorded in 2020, 2021 and 2022, the net amount of non-recoverable costs recorded by the Group amounted to €248 million, as stated in the paragraph above. (See "*Operating and Financial Review—Key Factors Affecting*

the Comparability of the Group's Financial Condition and Results of Operations—Termination of the MGT Teesside contract and Business—Litigation—Proceedings related with the Group's activity").

Even if as of the date of this Prospectus, the impact of Covid-19 pandemic in the Group's operations has decreased significantly, the measures taken by China to control the various outbreaks in 2022 have had a noticeable impact on the Group's supply chain, both in terms of logistical constraints and through increased prices for various equipment and raw materials, and the availability of labour. Consequently, the Covid-19 pandemic has continued to have some effect on the speed of execution of the projects, impacting on the results of the transactions and the cash position of the Group.

While the spread of the Covid-19 pandemic may eventually be mitigated, there is no guarantee that a future outbreak of this or any other widespread epidemics will not occur, or that the Spanish and global economy will recover from any of them, either of which could materially harm the Group's business, results of operations, and the demand for and the fair value of the Group's assets.

Risks related to financial matters

The Group reported losses in 2021 and 2022. Likewise, the Group's Net Cash^{APM} position was affected in 2021

The Group incurred losses in 2021 and 2022 amounting to €(192,133) thousand and €(34,484) thousand, respectively.

The impact of the Covid-19 pandemic caused the Group's sales to drop to €2,807 million in 2021 from €3,521 million in 2020. The Covid-19 pandemic slowed down the Group's projects milestone achievement and caused projects to be reprogrammed. The direct and indirect non-recoverable costs of the Group's clients amounted to €112.6 million and the termination of the Teesside project by the client in April 2021 had an impact of €100 million in the Group's results. In this adverse situation, the Group maintained the core of its workforce even though the demand for projects was reduced and the implementation rescheduled. Furthermore, the outflows derived from the Teesside project termination and the slow pace of project executions affected the Net Cash^{APM} position of the Group, which was reduced by €271.48 million.

In 2022, even though the impact of Covid-19 pandemic has decreased significantly, it has continued to have some effect on the speed of execution of the projects, impacting on the results of the transactions and the cash position of the Group. Separately, the geopolitical tensions between Spain and Algeria caused that on June 8, 2022, the consortium formed by Neptune Energy and Sonatrach enforced the performance guarantees that the Company issued under the Touat Gaz project in their total amount, equivalent to €80 million, which further impacted the Group's results in 2022. As of December 31, 2022 the Net Cash^{APM} position recovered and amounted to €158 million from €(76.0) million as of December 31, 2021. This Net Cash^{APM} position excludes €175 million from the Profit Sharing Loan of the SEPI Financial Support for comparability purposes with financial years 2021 and 2020. See "*Analysis of Alternative Performance Measures—Net Cash^{APM}*".

The losses incurred in relation to Covid-19 during 2020 and 2021 (the years of the Covid-19 pandemic period) resulted in a contraction of equity of €186 million as of December 31, 2022. However, the Company's directors consider that the Group has sufficient mechanisms in place to recover this loss. In this regard, on February 22, 2022 the Group formalised the SEPI Financial Support Fund for Supporting the Solvency of Strategic Companies. The SEPI Financial Support was structured into two tranches: a Profit Sharing Loan of €175 million, and an Ordinary Loan, of €165 million and was aimed to reinforce the working capital needs of the Group. See "*Operating and Financial Review—Borrowings—SEPI Financial Support*".

Although the pace of project development and the cash flow position have stabilised during 2022, the Group cannot guarantee that events both inside and outside its control such as an escalation of the conflict between Russia and Ukraine, a worsening of relations between Spain and Algeria, or supply chain problems that reduce access to skilled manpower or lead to delays in the supply of raw materials or equipment will not occur. These situations may have an adverse impact on the group's operations and thus on its financial results.

The Group is subject to risks related to its indebtedness

As of December 31, 2022, the Group's borrowings amounted to €977,131 thousand out of which €462,120 thousand corresponded to fixed rate borrowings and €515,011 thousand corresponded to variable rate borrowings. As of December 31, 2021 the Group's financial borrowings amounted to €742,885 thousand, out of which €348,755 thousand corresponded to fixed rate borrowings and €394,130 thousand corresponded to variable rate borrowings. As of December 31, 2022 the Group's Net Cash^{APM} amounted to €157.57 million (€(76.0) million as of December 31, 2021).

As of December 31, 2022, the Group's Leverage Ratio^{APM}, calculated as the borrowings (excluding borrowings associated with rights of use of leased assets and participating loans) divided by equity, amounted to 966.3% (709.82% as of December 31, 2021).

The following table shows the outstanding amount and the maturities of the Group's borrowings as of December 31, 2022:

	Amount (€ thousand)	Maturity Date
As of December 31, 2022		
(audited)		
SEPI Financial Support		
– Profit Sharing Loan	175,000	December 2026
– Ordinary Loan	165,000	December 2026
Syndicated CESCE Financing Agreement	100,595	December 2024
Syndicated ICO Loan	206,290	April 2026
Bilateral Loan Agreements	18,046	Between June 2023 and July 2024
Bilateral Revolving Credit Facilities ICO	39,423	Between April 2023 and October 2026
ICO Loans	62,577	Between September 2023 and October 2026
Certificate of Indebtedness	40,000	February 2024
Mortgage Loan Agreements	11,656	October 2027 and April 2029
MARF Promissory Notes	34,300	Between January and May 2023
Private Promissory Notes	8,000	November 2023
MARF bonds	49,800	December 2024
Bond Private placement	56,000	December 2027
CDTI and Others	10,444	
Total	977,131	N/A

The Group's financing agreements contain certain restrictive covenants and restrictions on our business. In particular, for the SEPI Financial Support the Group shall comply with the provisions of the Viability Plan (as defined herein) and shall not distribute dividends until the full repayment of the SEPI Financial Support. For the Syndicated CESCE Financing Agreement, the Syndicated ICO Loan and the MARF Bonds, (as defined herein) the Group shall maintain a financial ratio of net financial debt to EBITDA below or equal to 2.5x. For the Certificate of Indebtedness and the Bond Private Placement, the Group shall maintain a ratio of net financial debt to EBITDA below or equal to 3x. There are other terms and conditions under our financings, such as, limitations on the disposal of assets, payment restrictions, limits on additional indebtedness and additional investments or restrictions on operations with subsidiaries. The financial entities participating in the Syndicated ICO Loan, the Syndicated CESCE Financing Agreement, the MARF Bonds, the Bond Private Placement and the Certificate of Indebtedness authorised a waiver of the Company's obligation to meet the financial ratio of Net financial debt/consolidated EBITDA lower or than or equal to 2.5x or 3x, as applicable, during 2022. Additionally, as of the date of this Prospectus, the management of the Company estimates that the Group is in a position to comply during 2023 with the financial ratios provided for in all the financing to which it is a party. Likewise the Group is compliant with all the obligations the breach of which could result in the early termination of any commitments thereunder (See "Operating and Financial Review—Borrowings").

Additionally, our indebtedness may have an impact on our business and financial condition as: (i) we may be required to devote a significant portion of our cash flows to repay our debt, and therefore not be able to use such resources for other purposes, including the funding of the services and technologies required by our clients in the context of the energy transition; (ii) our flexibility to react to changes in the business or the industry in which we operate may be limited; (iii) our ability to undertake other corporate transactions may be limited; (iv) we may be at a competitive disadvantage compared with our competitors, which may have access to greater funds on more favourable terms; or (v) the covenants of our indebtedness could limit our ability to plan for or react to market conditions or to meet our capital needs in a timely manner.

Cash flow interest rate risk

The Group is exposed to the risk of fluctuations in market interest rates affecting cash flows.

The Group generally seeks to ensure that the projects in which it participates are self-financing, establishing billing and collection milestones with customers that cover the payment periods committed to suppliers. However, the Group maintains certain debt instruments to cover its operating requirements which combine fixed and variable interest rates.

As of December 31, 2022, the Group's Average Variable Interest Rate^{APM} applicable to the variable financial debt was 2.19% (1.97 % as of December 31, 2021). In the current context of high inflationary pressure, any increase in interest rates carried out by central banks would increase the Group's finance costs relating to its variable-rate indebtedness and increase the costs of issuing new debt.

Based on the sensitivity analysis performed on the financial debt at variable interest rates, an upward/downward change by 50 basis points of the interest rate would have an impact on the consolidated result of a decrease/increase of €3,960 thousand as of December 31, 2022 (€ 2,548 thousand as of December 31, 2021).

The effects of interest rate hikes could adversely affect the Group's financial condition and cash flows. Additionally, such increase could require the Group to devote a significant portion of its cash flows to repay its current debt and it could jeopardise the ability of the Group to obtain additional indebtedness, or its ability to do so on favourable terms may be limited. See *"Risk associated with the current economic and political situation and the impact of inflation in the Group's revenue"*.

For additional information, please refer to Note 3.1.1 to the 2022 Audited Consolidated Financial Statements and consolidated directors' report as of December 31, 2022.

Risk arising from the presence of SEPI as a creditor of the Company

On February 22, 2022, the Company and the SEPI entered into a financing agreement through the Fund for Supporting the Solvency of Strategic Companies (the **"SEPI Fund"**). The SEPI Financial Support (as defined herein) is structured in an Ordinary Loan for an amount of €165 million and a Profit Sharing Loan for an amount of €175 million. The purpose of the SEPI Financial Support was to restore the economic viability of the Company in relation to its working capital needs, to reinforce its solvency and to offset the losses suffered by the Group in 2021 as a consequence of the Covid-19 Pandemic. (See. *"Risk associated with the Covid-19 pandemic"* and *"Borrowings—SEPI Financial Support"*).

The terms and conditions of the SEPI Financial Support contain certain obligations and covenants which include, among others, the following (See *"Operating and Financial Review—Borrowings by type—SEPI Financial Support"*):

- (i) The Company shall fulfil the obligations and initiatives set forth in the Viability Plan (as defined in this Prospectus) and, the environmental transition plan aimed at developing services for the Group's clients in relation to the energy transition (See *"Business—Decarbonisation and energy Transition"*).
- (ii) The Company shall not incur in additional debt other than the permitted debt.
- (iii) The Company shall not carry out cash outflows to shareholders, whether in the form of dividends, management fees, interest payments, debt repayments, intra-group loans or cash pooling until the repayment of the SEPI Financial Support.
- (iv) The Company shall not approve investment transactions in fixed assets or in ecological transition not envisaged in the Viability Plan, which, individually or jointly, exceed €30 million.
- (v) Until a 75% of the SEPI Financial Support is redeemed, the Company shall apply some limitations to the remuneration of the members of the Board of Directors, suspend delivery of shares or stock options and shall not acquire a stake higher than 10% in the share capital of companies operating in the same sector unless it is authorised by the European Commission (the *"Governance Conditions"*).
- (vi) The Company shall carry out the execution of the share capital increase under the Offering envisaged in the Viability Plan before June 30, 2023. The capital increase required amount initially envisaged in the Viability Plan was €150 million. Nevertheless, the final amount is subject to (i) the capitalisation of the Company at the moment of the capital increase, to the extent that it will affect the percentage of capital to be increased and the Company's ability to do so under its internal corporate rules; and (ii) the market conditions.

Under the terms of the SEPI Financial Support, the triggering of an event of default, such as non-performance of payment obligations, misrepresentations, and non-compliance with material obligations, including the commitments of the Viability Plan, may cause that the

amounts drawn under the SEPI Financial Support become immediately due and payable or, alternatively, a raise from 75% to 100% of the threshold in connection to the Governance Conditions. In this regard, in 2022, the Company received a waiver in relation to the covenant consisting in the execution of the share capital increase referred to in paragraph (vi) above, which was initially envisaged under the Viability Plan to be completed before the end of financial year 2022, extending the deadline until June 30, 2023. Additionally, the SEPI quarterly commission monitoring the compliance by the Company with the covenants under the SEPI Financial Support, formally accepted that the Company was unable to comply with EBIT^{APM} targets in 2022, mainly due to the impact of the enforcement of the performance guarantees in Algeria (See “*Operating and Financial Review—Key Factors Affecting the Comparability of the Group’s Financial Condition and Results of Operations—Enforcement of guarantees in Algeria*”). Although as of the date of this Prospectus, all covenants under the SEPI Financial Support are complied with, any breach under the SEPI Financial Support entailing early maturity may have an adverse effect on the Group’s financial results.

In addition, according to the terms and conditions of the Profit Sharing Loan, in the event of default of the payment obligations thereunder, the Management Board of the SEPI has the option to, after relevant authorisations from the Spanish Council of Ministers (*Consejo de Ministros*) and the European Commission, if applicable, have been obtained, convert all or part of the Profit Sharing Loan into ordinary shares of the Company at a price per share resulting from the average of the Company’s share price during the 15 business days prior to the conversion, with a discount of 5%. If the Profit Sharing Loan is converted into equity, the Company will have the right, from the moment of such conversion, to voluntarily repurchase the shares converted by SEPI. If two years after the conversion into equity the SEPI Fund continues to hold shares resulting from the conversion of the Profit Sharing Loan, the price of such shares, if the Company voluntarily decides to repurchase them, will be increased by 10%.

If the Profit Sharing Loan is totally or partially converted into capital, the SEPI could become a significant, or even a majority or controlling shareholder of the Company, and could exercise significant influence over and alter the customary management and governance of the Company.

Risks associated with guarantees and sureties provided by Group entities in the course of their business

As of December 31, 2022, the Group had granted guarantees issued to third parties amounting to €4,414,833 thousand (€4,500,390 thousand on December 31, 2021) to guarantee compliance, where applicable, with obligations or commitments undertaken with different clients, institutions and other third parties. The total guarantees provided include syndicated guarantee lines amounting to €660,843 thousand as of December 31, 2022 (€671,787 thousand as of December 31, 2021) out of which €518,919 thousand are subject to covenants consisting on maintaining a ratio of net debt to EBITDA equal or lower than 3x and maintaining a ratio of net equity to adjusted balance sheet higher than 9%, compliance with which was exempted at December 31, 2021 and December 31, 2022. The only failure by the Group to comply with the ratio of net equity to adjusted balance sheet higher than 9% took place in December 2021 and, as mentioned, a waiver was given exempting from compliance. Compliance with this covenant has also been waived for 2023. Furthermore, as of the date of this Prospectus, the management of the Company estimates that the Group is in a position to comply with the net financial debt to EBITDA ratio provided for under the guarantees’ covenants during 2023.

In accordance with the general contracting terms and conditions of the Group, it is obliged to issue technical guarantees in relation to the execution of the work (financial guarantees) and they must be held during the project execution term. In this regard, the Group grants different types of guarantees aimed at: (i) covering risks of performance (“**Performance Bonds**”), (ii) guaranteeing advanced contractual payments from clients (“**Advanced Payment Bonds**”); (iii) guaranteeing commitments made when bidding for contracts (“**Bid Bonds**”); (iv) guaranteeing advanced payments made by the client related to equipment and materials in their course to the project’s site (“**Material Bonds**”); (v) guaranteeing the project after delivery or work completed (“**Warranty Bonds**”); and (vi) guaranteeing customers’ right to repayment of any final payment (“**Retention Bonds**”). The “others” guarantee category includes guarantees issued to the Spanish Tax Agency, Labour guarantees or Tax retention Bonds.

The enforcement of these guarantees by the clients can only be contested through the procedures set forth in the contracts formalised with them, which usually consist of arbitration. Once enforced, the guarantees have to be satisfied to the clients, which entails a cash outflow which can have a negative impact in the Group results. The Group has seen its guarantees enforced in the Teesside and the Touat Gaz projects and arbitration has been initiated in relation thereto, which had an impact of €100 million and €80 million, respectively. See “*Business—Legal Proceedings—Proceedings related with the Group’s Activity*”.

The following table shows the amount of guarantees granted by the Group as of the December 31, 2022:

Guarantee type	As of December 31, 2022	
	(unaudited)	
	(in thousands of euros)	
Bid Bond	1,355	
Advance Payment Bond	477,208	
Material Bond	288,056	
Performance Bond	2,699,904	
Retention Bond	628,421	
Warranty Bond	24,099	
Others	295,791	
Total	4,414,833	

The guarantees described above are issued by various financial institutions and insurance companies. The Group's ability to obtain such guarantees from financial institutions and insurance companies depends on the assessment of the Group's economic and financial position and, in particular, the Group's project risk analysis, experience and the competitive positioning of the Group in a particular sector.

In the event of cancellation, expiration or non-renewal of the guarantees relating to ongoing projects or if the Group is unable to obtain new guarantees, the Group may be unable to meet the terms and conditions of such ongoing contract, thereby losing the contract and adversely impacting the Group's business, financial condition and results of operations. Also, a failure by any financial institution or insurance company to issue the relevant guarantees may result in the Group not meeting the requirements for the award of the projects in which such guarantees are required.

All of the above could have a negative impact on the Group's activity and, consequently, on its results.

Foreign exchange risk

The Group is exposed to the risk resulting from fluctuations in foreign currency rates compared to the Group's reporting currency.

As of December 31, 2022 the contributions to the Group's revenue in a functional currency other than the euro amounted to €3,502,011 thousand representing 82.72% of the Group's revenue (€2,717,406 thousand representing 96.79% of the Group's revenue as of December 31, 2021).

The following table sets forth the currency in which the carrying amounts of the Trade receivables account are denominated:

Functional currency	2022		2021	
	(in thousands of euros)			
	(audited)			
Euro	488,369		290,749	
USA Dollar	1,451,070		1,051,296	
KWD	302,017		119,033	
SAR	698,488		948,273	
Other currencies	234,613		158,678	
Total	3,174,557		2,568,029	

As the Group's reporting currency is the euro, fluctuations in the value of other currencies in which transactions are carried out with respect to the euro may have an effect on future commercial transactions, recognized assets and liabilities, and net investments in foreign operations. The Group operates internationally and is therefore exposed to foreign exchange risk from currency transactions, especially the US dollar (USD) or, to a lesser extent, other currencies linked to the USD. There are residual minor risks with suppliers

in other currencies (mainly Japanese yen, Canadian dollar, Saudi Arabian riyal, Turkish lira, Malaysian ringgit, Peruvian sol, Singapore dollar, Polish zloty (PLN) and Kuwaiti dinar).

As of December 31, 2022, the estimated increase/decrease of the consolidated net income and of the consolidated equity to a 10% increase/decrease in the exchange rate of the dollar with regard to the rate in effect as of December 31, 2022 would be as follows:

Functional currency	+ 10%	
	Net Income	Equity
	(in thousands of euros)	
US dollar	15,981	22,236

In accordance with the Group's hedging policy, the Group companies use forward contracts, negotiated by the Group's corporate treasury department, to hedge the foreign currency risk arising from future commercial transactions and recognised assets and liabilities. The Group's treasury department is responsible for managing the position in each foreign currency using external foreign currency forward contracts (also taking into account the risks arising from currencies linked to the USD, where the hedge contracted protects against the USD risk). In addition, the Group aims to hedge against exchange rate risk by agreeing to "multicurrency" contracts with customers, disaggregating the selling price in the different currencies of the expected costs and maintaining the expected margins in euros.

The Group's risk management policy is based on hedging, for projects in progress, a portion of the forecasted transactions with high certainty in each of the main currencies during all scheduled project months. For each new project contracted with foreign exchange risk, the percentage of risk to be insured on projected sales in each of the main currencies varies. As of December 31, 2022, the Group had foreign currency forward contracts covering assets with a fair value of €38,697 thousand (€13,561 thousand as of December 31, 2021) and liabilities with a fair value of €22,277 thousand (€18,870 thousand as of December 31, 2021). This insurance qualifies as highly probable forecast transactions for hedge accounting purposes. See Note 10.1 of the 2022 Audited Consolidated Financial Statements.

Also, for the Group's investments in foreign operations, the Group's policy is to finance these foreign operations with borrowings denominated in the functional currency of that country, so that the risk only affects the portion corresponding to the equity investment. The table below shows the balances of the principal exposures in foreign currency as a result of equity investments in foreign operations:

Currency	As of December 31,		
	2022	2021	2020
	(audited)		
Saudi Ryal	120,841	70,333	71,353
Turkish Lira	10,829	25,436	53,479
Peruvian Sol	89,201	105,089	126,097
Mexican Peso	24,620	9,821	N/A

Credit risk

The Group is exposed to the credit risk arising from the possibility that counterparties (customers, suppliers, financial institutions, insurers or partners, among others) fail to comply with their contractual obligations.

The Group manages credit risk by considering a grouping of financial assets consisting of (1) derivative financial instruments and balances for different items included in Cash and cash equivalents; and (2) balances related to trade and other receivables. Derivative financial instruments and transactions with financial institutions included as cash and cash equivalents are contracted or conducted with investment grade financial institutions.

Due to the characteristics of the Groups' business, there is a high concentration of trade and accounts receivable balances based on the Group's most significant projects. As of December 31, 2022, 63.22 % of the total Trade receivables account (included in trade and other receivables) was concentrated in 10 clients (83.62% as of December 31, 2021), and they relate to transactions with state-owned oil companies and top multinationals. See "Risk associated with portfolio concentration on a limited client base and limited number of countries".

As of December 31, 2022 the Group's provision for impairment of accounts receivable amounted to €46,871 thousand (38,645 thousand as of December 31, 2021). The Group recognised a loss of €9,035 thousand for the impairment loss on the value of its trade receivables in the year ended 31 December 2022 (€8,077 thousand as of December 31, 2021).

Although the Group undertakes expected credit loss and creditworthiness analysis to their counterparties, there are no guarantees or other credit enhancements to ensure collection from customers, except in specific cases where the Group deems it appropriate. The Group focus on clients which are best in class rated companies. In addition, approximately 26% of the Backlog^{APM} corresponds to projects developed by the Group for clients which enter into a project finance structure, which helps mitigating the exposure to the credit risk of the relevant client. For additional information, please refer to Note 3.1.2 to the Consolidated Financial Statements and Consolidated Management Report as of December 31, 2022.

The loss of significant customers, or the loss of all or a portion of the Group's expected services agreements revenue from certain customers and an increase in the Group's level of exposure to credit risk, or the Group's failure to actively manage it, could have a material adverse effect on its business, prospects, results of operations, financial condition and cash flows.

Risk related to taxation

The recoverability of the Group's deferred tax assets depends on the Group's future taxable income, which may not materialize as estimated

As of December 31, 2022 tax assets amounted to €409,407 thousand, which represented 8.5% of the Groups total assets (€410,858 thousand as of December 31, 2021, which represented 10.58% of the Group's total assets) Out of these tax assets, as of December 31, 2022, an amount of €90,571 thousand corresponded to tax credits from tax loss carryforwards (€101,094 thousand as of December 31, 2021), an amount of €39,802 thousand corresponded to other temporary differences (€31,278 thousand as of December 31, 2021) and an amount of €258,315 thousand corresponded to losses incurred in subsidiaries and permanent establishments (€248,077 thousand as of December 31, 2021).

Based on the Group's current estimates, the Group expects to generate sufficient future taxable income to achieve the realization of the Group's current tax credits and tax loss carryforwards within approximately 8 years, supported by the Group's historical trend of business performance and a plan to liquidate these subsidiaries and permanent establishments in a shorter period.

However, the Group's current and deferred income taxes may be impacted by events and transactions arising in the normal course of business as well as by events out of the Group's control and the ordinary course of business or changes in the applicable tax laws. Changes in the assumptions and estimates made by management may result in the Group's inability to recover the Group's deferred tax assets if the Group considers that it is not probable that taxable profit will be available against which the deductible temporary difference can be utilized. A future change in applicable tax laws could also limit the Group's ability to recover the Group's deferred tax assets. Additionally, currently ongoing or potential future tax audits may affect the recoverability of the Group's deferred tax assets. If the Group is unable to recover the Group's deferred tax assets, it could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. See Note 26 of the 2022 Audited Consolidated Financial Statements.

Risk related to the Company's ownership structure

The Company's significant shareholders' interests may differ from those of the Company

As of the date of this Prospectus, there is one significant shareholder of the Company, Mr. José Lladó Fernández-Urrutia, who controls 37.20% of the share capital of the Company, out of which a 0.107% is controlled directly and a 37.088% is controlled indirectly through Araltec, S.L. and Aragonesas Promoción de Obras y Construcciones, S.L. (see "Principal Shareholders"). Mr. José Lladó Fernández-Urrutia is represented in the Board of Directors by Mr. José Manuel Lladó Arburúa, proprietary director representing Araltec, S.L. Mr. José Lladó Fernández-Urrutia has irrevocably committed to exercise the Preferential Subscription Rights corresponding to all the Shares he holds through (i) Araltec Corporación, S.L., which represent approximately 33.31% of the Offering, and (ii) Aragonesas Promoción de Obras y Construcciones, S.L., which represent approximately 5.31% of the Offering, and to subscribe and pay for the corresponding New Shares. Mr. José Lladó Fernández-Urrutia will not exercise the Preferential Subscription Rights associated to the Shares he directly holds, which represent approximately 0.112% of the Offering. The percentage that the Committed Shares from the Main Shareholder represent over the Offering differs from the percentage of share capital held by the Main Shareholder due to the fact that the Offering excludes the Company's treasury shares. Consequently, the equity interest in the Company of Mr. José Lladó Fernández-Urrutia after the Offering, assuming all of the New Shares are subscribed for in full by other Eligible Shareholders or third parties, will amount to 37.63%. For further information, see "Principal Shareholders" and "Plan of Distribution-Commitments from shareholders".

The Company's principal significant shareholder may have an influence over those matters requiring shareholders' approval, including the appointment and dismissal of the members of the Board of Directors, the payment of dividends, changes in the issued share capital of the Company and the adoption of certain amendments to the bylaws. There can be no assurance that any current or future significant shareholder will act in a manner that is in the best interest of the Company, which could, in turn, adversely affect the Group's business, prospects results of operations, financial condition and cash flows.

Under the terms and conditions of the SEPI Financial Support, in the event of default of the payment obligations thereunder, the Management Board of the SEPI may convert all or part of the Profit Sharing Loan into ordinary shares of the Company, which could derive into SEPI becoming a significant, or even a majority or controlling shareholder of the Company able to exercise significant influence over and alter the customary management and governance of the Company. See "*Risk arising from the presence of SEPI as a creditor of the Company*".

Risks related to the Offering

The Company's ability to pay dividends is limited by certain of its financial agreements and will not pay dividends in the near future. Furthermore, once there are no restrictions on the Company's ability to pay dividends, the Company cannot assure that it will be able to pay dividends and, even if able, that the Company would do so

The Company has not distributed dividends during the three-year period covered by the historical financial information and will not pay dividends in the near future, as the Company's ability to pay dividends to its shareholders is limited by the SEPI Financial Support, the Syndicated CESCE Financing Agreement and the Syndicated ICO Loan, as well as other financial covenants.

In particular, the following financing agreements entered into by the Company include covenants that limit the distribution of dividends: (i) the SEPI Financial Support, which matures in August 2026, contains financial covenants by virtue of which the Company shall not permit cash outflows to shareholders, whether in the form of dividends, management fees, interest payments, debt repayments, intra-group loans or cash pooling until the repayment of the SEPI Financial Support; and (ii) the Syndicated CESCE Financing Agreement and the Syndicated ICO Loan only permit profit distribution for the years 2021 to 2024 up to: (a) 30% of the consolidated net profit for the financial years ended December 31, 2021 and December 31, 2022; (b) 40% of the consolidated net profit for the financial year ended December 31, 2023; and (c) 50% of the consolidated net profit for the financial year ended December 31, 2024. Consequently, the Company shall not pay dividends to its shareholders until the SEPI Financial Support is fully repaid and, following such repayment, the Company's ability to pay dividends during the financial years ended 2023 and 2024 will be limited by the Syndicated CESCE Financing Agreement and the Syndicated ICO Loan.

In the event the Company's ability to pay dividends is no longer subject to the limitations on the distribution of dividends included in the Company's financing agreements (such as the SEPI Financial Support and the Syndicated CESCE Financing Agreement and the Syndicated ICO Loan, which as of the date of this Prospectus are the only covenants limiting the distribution of dividends in any financing agreement entered into by the Company), the Company may consider the payment of dividends (or other methods of returning net proceeds to shareholders in a tax efficient manner) in the future when, in their view, the Company has sufficient distributable profits after taking into account the working capital needs. However, the Company's ability to distribute dividends would then depend on a number of circumstances and factors including, but not limited to, the amount of net profit attributable to the Company in any financial year, and the Group's growth strategy (see "*Operating and financial review— Liquidity and Capital Resources—Borrowings —Borrowings by type— Loans and credit facilities*").

Without prejudice to the above, the Company may not have cash available to pay dividends or have the reserves legally required for the Company to be able to do so. The Company's legal reserve as of December 31, 2022 was €1,137 thousand which, as of the date of this Prospectus, is compliant with Spanish law ("*Description of Share Capital—Dividend and liquidation rights*") (assuming the Offering is fully subscribed, the Company's legal reserve will fall below the minimum legal threshold to an amount equivalent to approximately 14.16% of the Company's issued share capital). Even if the Company does have adequate cash and reserves (see "*Dividend Policy*"), the Company's shareholders and Board of Directors may choose not to distribute dividends, or may not be able to fully distribute dividends in the amount chosen. Accordingly, the Company cannot assure whether, or in what amount, it will pay a dividend in the future.

Eligible Shareholders who do not participate in the Offering will have their ownership interest diluted. The Company may in the future issue additional Shares or convertible securities, which may dilute shareholders' interest in the Company

Eligible Shareholders who do not fully exercise their Preferential Subscription Rights during the Preferential Subscription Period described herein in the percentage to which their Preferential Subscription Rights entitle them will have their equity interest diluted by approximately 30.39% with respect to their interest in the Company's share capital on the Record Date (the date on which those persons

or entities registered in Iberclear as shareholders become Eligible Shareholders), assuming all of the New Shares are subscribed for in full by other Eligible Shareholders or third parties.

Additionally, following the Offering, the Company may decide to carry out additional issuances of Shares or issue convertible securities in the future. New shares could be issued through a capital increase, either in exchange for a monetary or in-kind contribution, or through the exercise of conversion rights by holders of bonds convertible into Shares or similar instruments convertible into Shares. Shareholders could see their shareholding in the Company's share capital diluted by any such capital increases if they do not have preferential subscription rights in connection with the issuance, if they do not exercise their preferential subscription rights, or if such rights are totally or partially excluded, in accordance with the Spanish Companies Act approved by Royal Legislative Decree 1/2010, of July 2 (*Real Decreto Legislativo 1/2010, de 2 de Julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*) (the "**Spanish Companies Act**").

The ordinary general shareholders' meeting of the Company (the "**General Shareholders' Meeting**"), on June 25, 2020, passed a resolution authorizing the Board of Directors, in accordance with Articles 286, 297, 417 and 511 of the Spanish Companies Act, and Article 319 of the Regulations of the Commercial Registry (*Real Decreto 1784/1996, de 19 de julio, por el que se aprueba el Reglamento del Registro Mercantil*) to resolve on the issue of convertible bonds or any other security which could entitle holders thereof either directly or indirectly to subscribe for Shares of the Company without previously convening the General Shareholders' Meeting. This authorization included the power to exclude the preferential subscription rights of the shareholders. In addition, the General Shareholders' Meeting also passed on June 29, 2021, a resolution authorizing the Board of Directors, in accordance with Article 297.1.b) of the Spanish Companies Act, to increase its share capital without previously convening the General Shareholders' Meeting by up to half of the Company's share capital as of the date of the resolution (i.e. €2,794,800 nominal value). This authorization included the power to exclude the preferential subscription rights of the shareholders, with respect to a share capital increase of up to 20% of the Company's share capital at the time of the resolution. The Board of Directors may exercise this authorization within five years, on one or more occasions and at any time, and subject to any conditions that it may deem appropriate. The New Shares will be issued pursuant to a share capital increase in exercise of the above authorization, for a total nominal amount of €2,440,526.5. Therefore, €354,273.5 nominal value of the above authorization will be outstanding, assuming the complete subscription of the New Shares.

Additionally, under the terms and conditions of the SEPI Financial Support, in the event of default of the payment obligations thereunder, the Management Board of the SEPI may convert all or part of the Profit Sharing Loan into ordinary shares of the Company, which could derive into SEPI becoming a significant, or even a majority or controlling shareholder of the Company which and thus cause a dilution of shareholders' shareholding in the Company. See "*Risk arising from the presence of SEPI as a creditor of the Company*" and "*The Company's significant shareholders' interests may differ from those of the Company*".

The price of the Shares may decline as a result of the Offering

The Offering will be in respect of 24,405,265 New Shares at a Subscription Price of €6.15 per New Share, which represents a 30.46% discount to the theoretical ex-rights price ("**TERP**") based on the closing price of the Shares on April 6, 2023. As a result, the Offering may result in a decline of the trading price of the Shares. Further, given that the trading price of the Preferential Subscription Rights depends on the price of the Shares, a significant decline in the public market trading price of the Shares would negatively affect the trading price of the Preferential Subscription Rights. In addition, there can be no assurance that the public market trading price of the Shares will not decline below the Subscription Price following holders' exercise of their Preferential Subscription Rights. Should this occur, such holders will have committed to buy the New Shares at a price above the prevailing market price of the Company's Shares, and such holders will suffer an immediate unrealized loss as a result. In addition, there can be no assurance that, following the exercise of such Preferential Subscription Rights, such investors who exercise their Preferential Subscription Rights or who request additional New Shares during the Additional Allocation Period or the Discretionary Allocation Period will be able to sell their New Shares at a price equal to or greater than the Subscription Price.

Eligible Shareholders and investors who exercise their Preferential Subscription Rights or who request additional New Shares during the Additional Allocation Period or the Discretionary Allocation Period will not be able to cancel their requests

The possibility of reducing subscription orders already submitted in the Preferential Subscription Period has not been envisaged. Holders of Preferential Subscription Rights who exercise their Preferential Subscription Rights during the Preferential Subscription Period described herein or request for additional New Shares to be allocated during the Additional Allocation Period described herein, as well as investors who request for subscription of New Shares in the Discretionary Allocation Period, will not be able to revoke the subscriptions and requests, which will be deemed to be irrevocable, firm and unconditional and may not be cancelled or modified except where a supplement to this Prospectus is published.

In the event of termination of the Underwriting Agreement, or if the underwriting and pre-funding obligations of the Joint Global Coordinators under the Underwriting Agreement do not come into force as a result of the failure to fulfil or waive any conditions precedent, this will be considered a significant factor which requires the publication of a supplement (see “*Plan of Distribution–Underwriting Agreement*” for more information on the events of termination of the Underwriting Agreement).

In the event a supplement to this Prospectus is published, holders of Preferential Subscription Rights who exercise their Preferential Subscription Rights or request for additional New Shares, as well as investors who request for subscription of New Shares in the Discretionary Allocation Period, will have the right, exercisable within two business days after publication of such supplement, to withdraw their subscriptions or requests, as applicable, provided that the new factor, mistake or inaccuracy to which the supplement refers arises before the closing of the offer (i.e. when the Company grants the public deed formalising the capital increase, including the subscription and payment of the New Shares (the “**Second Public Deed**”), before a Spanish public notary, which is expected to take place on the Execution Date).

DECLARATION OF RESPONSIBILITY AND COMPETENT AUTHORITY

Declaration of responsibility

Mr. Juan Lladó Arburúa, acting in the name and on behalf of the Company, in his capacity as Executive Chairperson of the Board of Directors of the Company and duly empowered as representative of the Company by means of the resolution of the Company's Board of Directors of April 10, 2023, accepts responsibility for the information contained in this Prospectus. To the best of his knowledge, the information contained in this Prospectus is in accordance with the facts and it makes no omission likely to affect its import.

Competent authority

- (i) This Prospectus has been approved by the CNMV, as competent authority under the Prospectus Regulation, on April 11, 2023.
- (ii) The CNMV only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.
- (iii) Such approval should not be considered as an endorsement of Técnicas Reunidas and the quality of the securities that are the subject of this Prospectus.
- (iv) Investors should make their own assessment as to the suitability of investing in the New Shares and/or the Preferential Subscription Rights.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Consolidated financial statements

The financial information included in this Prospectus derives from the English translation of the Company's original Spanish-language versions of: (i) the Company's annual audited consolidated financial statements as of and for the financial year ended December 31, 2022 (the "**2022 Audited Consolidated Financial Statements**"), (ii) the Company's annual audited consolidated financial statements as of and for the financial year ended December 31, 2021 (the "**2021 Audited Consolidated Financial Statements**"), and (iii) the Company's annual audited consolidated financial statements as of and for the financial year ended December 31, 2020 (the "**2020 Audited Consolidated Financial Statements**"), and together with the 2021 Audited Consolidated Financial Statements and the 2022 Audited Consolidated Financial Statements, the "**Financial Statements**").

The Financial Statements (and their respective original Spanish-language versions) accompanied by the respective consolidated directors' reports including their respective annexes are incorporated by reference into this Prospectus.

The original Spanish-language versions of the Financial Statements have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as adopted by the European Union ("**EU**") ("**IFRS-EU**") in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council dated July 19, 2002 on the application of international accounting standards. For more information on the basis of presentation of the financial information included herein, see Note 2 to each of the Financial Statements.

The Financial Statements have been audited by PricewaterhouseCoopers Auditores, S.L. ("**PwC**") and Deloitte, S.L. ("**Deloitte**"). The Financial Statements have been translated from Spanish to English, and in case of any discrepancy between the English version and the Spanish version, the Spanish version shall prevail.

The Financial Statements are accompanied by the respective consolidated directors' reports including their respective annexes.

Investors are strongly cautioned that the consolidated directors' reports contain information as of various historical dates and do not contain a full description of the Company's business, affairs or results. The information contained in the consolidated directors' reports has not been prepared for the specific purpose of this Prospectus. Accordingly, the consolidated directors' reports should be read together with the other portions of this Prospectus, and in particular the sections of this Prospectus entitled "*Risk factors*" and "*Operating and Financial Review*". Furthermore, the consolidated directors' reports include certain forward-looking statements that are subject to inherent uncertainty (see "*Forward-looking statements*" below). The consolidated directors' reports accompanying the Financial Statements have not been audited by PwC and Deloitte. The extent and scope of the review carried out by PwC and Deloitte in connection with the consolidated director's report accompanying the Financial Statements is described in the auditors' reports.

See "*Additional Information—Documents on display*" for further information on certain documents of the Company.

Segment reporting

The Group's segment information included in its Financial Statements is presented in accordance with the disclosure requirements set forth in IFRS 8, *Operating Segments*. This information is structured by business segment. See Note 5 of the Financial Statements.

Traditionally, and in the 2021 Audited Consolidated Financial Statements and in the 2020 Audited Consolidated Financial Statements, the Group classified its operating segments in: (i) Oil and Gas, (ii) Power, and (iii) Other industries (the "**Traditional Segmentation**"). Nevertheless, in 2022 the Company's management started to implement, alongside the Traditional Segmentation, a redesigned segmentation aimed at (a) reflecting the insights on the business activities of the Group in a more appropriate and comparable way to peer companies in the sector; and (b) adapting the reporting format to the enhanced positioning of the Group in energy transition technologies. This new segmentation, which is presented in the 2022 Audited Consolidated Financial Statements, together with comparative information for the years ended December 31, 2021 and 2020, comprises the following operating segments: (i) Refining, (ii) Natural Gas; (iii) Petrochemistry; (iv) Low Carbon Technologies; and (v) Others (the "**New Segmentation**"). (See "*Business—The Group's Business Divisions*").

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

Presentation of line items

The nomenclature used for certain line items included in the Financial Statements incorporated by reference in this Prospectus varies in the periods presented herein. Unless otherwise indicated, the Company has used the nomenclature used in the 2022 Audited Consolidated Financial Statements and accompanying consolidated directors' report.

Alternative performance measures

In addition to the financial information presented herein and prepared under IFRS-EU, the Company has included in this Prospectus certain alternative performance measures as defined in the guidelines issued by the European Securities and Markets Authority (“ESMA”) on October 5, 2015 on alternative performance measures (the “ESMA Guidelines” and the “APMs”, respectively).

The Company believes that the presentation of the APMs included herein complies with the ESMA Guidelines and ESMA’s “Q&A on Alternative Performance Measures Guidelines” published in April 1, 2022 (the “ESMA Q&A”).

For clarification purposes, APMs used in this Prospectus appear followed by the label: “APM”.

Such APMs include: EBIT Margin^{APM}, Net Cash^{APM}, Leverage Ratio^{APM}, Average Variable Interest Rate^{APM} and Backlog^{APM}. APMs are further explained under “*Operating and Financial Review—Analysis of Alternative Performance Measures*”.

The Company has presented these APMs, which are unaudited, as supplemental information because they are used by the Group’s management in making financial, operational and planning decisions and provide useful financial information that should be considered in addition to the financial statements prepared in accordance with the applicable accounting regulations (IFRS-EU), in assessing the Group’s performance. In addition, Técnicas Reunidas believes that the APMs presented herein may contribute to a better understanding of its results of operations by providing additional information on what the Company considers to be some of the drivers of its financial performance and because these APMs are in line with the main indicators used by the majority of the community of analysts and investors in the capital markets.

APMs are not defined under IFRS-EU, should not be considered in isolation and may be presented on a different basis than the financial information included in the Financial Statements. In addition, they may differ significantly from similarly titled information or APMs reported by other companies, and may not always be comparable.

Prospective investors are cautioned not to place undue reliance on these measures, which should be considered as supplemental to, and not a substitute for, the financial information prepared in accordance with IFRS-EU included herein. The APMs included herein have not been audited by the Company’s auditors or by any independent expert. The definition and determination of EBIT^{APM} and Net Cash^{APM} are disclosed in the accompanying consolidated directors’ reports to each of the Financial Statements. The definition and determination of Backlog^{APM} are disclosed in the 2022 Audited Consolidated Financial Statements.

Some of the limitations of these APMs are:

- they may not reflect the Company’s cash expenditures or future requirements for capital expenditures or contractual commitments;
- they may not reflect changes in, or cash requirements for, the Company’s working capital needs;
- they do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments, on the Company’s debt;
- the fact that other companies in the industry may calculate EBIT^{APM} differently than the Company does, which limits their usefulness as comparative measures.

Rounding

Certain financial information contained in this Prospectus has been rounded. For this reason, in some cases, the sum of the figures in a given column may not conform exactly to the total figure presented in that same column. Figures that are represented in percentages in this Prospectus have not been calculated on the basis of rounded figures, but rather on those values prior to rounding.

Market and industry data

This Prospectus includes market share and industry data, which the Company has obtained from industry publications and surveys, industry reports prepared by governments, regulators, consultants, internal surveys, market research and customer feedback. Market and industry data is principally based on, where available, official government or industry bodies. Prospective investors should not place

undue reliance on the information provided by these third-party sources.

To the Company's knowledge, all third-party information, as outlined above, has been accurately reproduced and, as far as the Company is aware and has been able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Company has not independently verified the information and cannot guarantee its accuracy. As the Company does not have access to all of the facts and assumptions underlying such market and industry data, it is unable to verify such information and cannot guarantee its accuracy or completeness.

Any and all of the information set forth in this Prospectus relating to the operations, financial results or market share of the Group's competitors has been obtained from information made available to the public in such companies' publicly available reports and independent research, as well as from the Group's experience, internal studies, estimates and investigation of market conditions.

The Company is not aware of any misstatements regarding the market, economic and industry or similar data presented in this Prospectus, but such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under the heading "*Risk Factors*" in this Prospectus.

Forward-looking statements

This Prospectus (including the information incorporated by reference in this Prospectus) includes forward-looking statements that reflect the Group's intentions, beliefs or current expectations and projections about the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans, opportunities, trends and the market in which the Group operates. The Group has tried to identify these and other forward-looking statements by using the words "may", "could", "will", "would", "should", "expect", "intend", "estimate", "anticipate", "guidance", "project", "future", "potential", "believe", "seek", "plan", "aim", "expect", "objective", "goal", "project", "strategy", "target", "continue", "run-rate" metrics or indications and similar expressions or their negatives. These forward-looking statements are based on numerous assumptions regarding the Group's present and future business and the environment in which the Group expects to operate in the future. Forward-looking statements may be found in the sections of this Prospectus entitled "*Risk Factors*", "*Operating and Financial Review*", "*Industry Overview*" and "*Business*" and elsewhere in this Prospectus (including the information incorporated by reference in this Prospectus, such as the consolidated directors' reports that accompany the Financial Statements).

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions and other factors that could cause the Group's actual business, results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans or opportunities, as well as those of the markets the Group serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Investors should read the section entitled "*Risk Factors*" (including the information referred to in such section) and the description of the Group's segments in the section entitled "*Business*" for a more complete discussion of the factors that could affect the Group.

In light of these risks, uncertainties and assumptions, the forward-looking events described in this Prospectus may not occur. Additional risks that the Group may currently deem immaterial or that are not presently known to the Group could also cause the forward-looking events discussed in this Prospectus not to occur. These forward-looking statements speak only as of the date of this Prospectus. Except as otherwise required by Spanish, U.S. federal and other applicable securities law and regulations and by any applicable stock exchange regulations, the Group undertakes no obligation to update publicly or revise publicly any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Prospectus. Given the uncertainty inherent in forward-looking statements the Group cautions prospective investors not to place undue reliance on these statements.

THE OFFERING

General

The Offering will be in respect of 24,405,265 New Shares at a Subscription Price of €6.15 per New Share (nominal amount of €0.10 plus a premium of €6.05).

The New Shares will be Shares with a nominal value of €0.10 each, all of the same class and series as the Shares, represented in book-entry form and registered in the accounting records of Iberclear, with registered office at Plaza de la Lealtad 1, 28014, Madrid, and of its participant entities (the “**Participant Entities**”). The Shares are listed on the Spanish Stock Exchanges and are quoted on the AQS.

The New Shares will be issued pursuant to:

- (i) the resolution adopted by the ordinary General Shareholders’ Meeting of the Company, on June 29, 2021, authorizing the Board of Directors, in accordance with Article 297.1.b) of the Spanish Companies Act, to increase through cash contributions its share capital without previously convening the General Shareholders’ Meeting on one or more occasions and at any time, within a period of five years, by up to half of the Company’s share capital as of the date of the resolution (i.e., €2,794,800 nominal value); and
- (ii) the resolution of the Company’s Board of Directors of April 10, 2023, approving the use of the authorization granted to the Board of Directors referred to in (i) above, to increase the share capital of Técnicas Reunidas through the issue and placement into circulation of the New Shares. The capital increase has been agreed to be carried out with Preferential Subscription Rights in favour of the Company’s shareholders. The possibility of an incomplete subscription (*suscripción incompleta*) has been expressly foreseen. The New Shares will be issued for a total nominal amount of €2,440,526.5. Therefore, €354,273.5 nominal value of the authorization referred to in (i) above will be outstanding, assuming the complete subscription of the New Shares.

The Shares are, and the New Shares will be, subject to the provisions of Spanish legislation and, particularly, the provisions of the Spanish Companies Act and the Law 6/2023, of March 17, on the Securities Market and Investment Services (*Ley 6/2023, de 17 de marzo de los Mercados de Valores y de los Servicios de Inversión*) (the “**Securities Market Act**”), and applicable implementing regulations. The Offering, including the exercise of Preferential Subscription Rights, the request for additional New Shares and subscription requests for Rump Shares shall be governed and interpreted in accordance with Spanish legislation. By exercising Preferential Subscription Rights, in whole or in part, or submitting requests for additional New Shares or subscription requests for Rump Shares, shareholders and investors irrevocably and unconditionally accept that the Courts and Tribunals of the city of Madrid shall have exclusive jurisdiction to resolve any disputes that might arise in relation to the Offering.

The ISIN code of the Shares is ES0178165017. The National Numbering Agency, an entity within the CNMV, has assigned the provisional ISIN code ES0678165905 to the Preferential Subscription Rights and the provisional ISIN code ES0178165041 to the New Shares. Once the New Shares are listed, the New Shares and the Shares will trade under the same ISIN code.

As of December 31, 2022 the net asset value per Share, calculated as the consolidated equity attributable to shareholders divided by the total number of Shares, amounted to 1.266€ per Share.

General terms of the Offering

The Company is granting Preferential Subscription Rights to Eligible Shareholders. Each Share held by the Eligible Shareholders entitles its holder to receive one Preferential Subscription Right. The exercise of 11 Preferential Subscription Rights entitles the exercising holder to subscribe for 5 New Shares against payment of the Subscription Price in cash.

The Subscription Price, which must be paid in euros, is €6.15 per New Share. The Subscription Price represents an implied discount of 30.46 % on the theoretical ex-rights price (TERP) (€8.84 per Share based on the Share’s closing price of €10.02 as of April 6, 2023).

The Offering, if all the New Shares are fully subscribed, will result in an increase of 24,405,265 issued Shares from 55,896,000 Shares to 80,301,265 Shares, corresponding to an increase of 43.66% before the Offering and an increase of 30.39% following the Offering.

Eligible Shareholders who do not participate in the Offering will have their ownership interest diluted. If an Eligible Shareholder does not subscribe New Shares in the percentage corresponding to it as a result of its Preferential Subscription Rights, and assuming that the New Shares are fully subscribed by third parties, the ownership interest of such Eligible Shareholder will be diluted by 30.39%.

The expenses charged to the holders of Preferential Subscription Rights will be those determined by their Participant Entity. The Participant Entities will charge, if applicable, fees in relation to the acquisition or transfer of Preferential Subscription Rights as well as, if applicable, any fees for the custody of the New Shares, all in accordance with the tariff brochures published by the Participant Entities, which are available at the Bank of Spain and the CNMV.

Preferential Subscription Rights

The Offering provides Eligible Shareholders with Preferential Subscription Rights to subscribe, in whole or in part, for New Shares in order to, among other things, maintain their current level of ownership in the Company, if they so choose. The Preferential Subscription Rights are options to subscribe for and purchase the New Shares and may be sold, subject to applicable laws and the restrictions set forth herein, to third parties, which the Company refers to as purchasers of Preferential Subscription Rights. In accordance with Article 306.2 of the Spanish Companies Act, the Preferential Subscription Rights will be freely transferable on the same terms as the New Shares in respect of which they are exercisable and will be tradable on the Spanish Stock Exchanges. Eligible Shareholders may, therefore, (i) subscribe for New Shares at the Subscription Price, (ii) sell their Preferential Subscription Rights through banks or brokers in Spain, subject, in each case, to applicable laws and the restrictions set forth herein, or (iii) a combination of both. The Preferential Subscription Rights to subscribe for New Shares offered hereby do not have an established trading market. Although the Preferential Subscription Rights offered hereby will be admitted to listing on the Spanish Stock Exchanges for trading through the AQS during the Preferential Subscription Period described herein, the Company cannot assure holders of Preferential Subscription Rights that an active trading market will develop for these rights on Spanish Stock Exchanges or that any over-the-counter trading market in the Preferential Subscription Rights will develop or that there will be sufficient liquidity for such rights during such period.

Pursuant to Article 304 of the Spanish Companies Act, Eligible Shareholders may exercise, during the Preferential Subscription Period, their right to subscribe a number of New Shares in proportion to the nominal value of the Shares they hold. Eligible Shareholders who do not fully exercise their Preferential Subscription Rights during the Preferential Subscription Period described herein in the percentage to which their Preferential Subscription Rights entitle them will have their equity interest diluted by approximately 30.39% with respect to their interest in the Company's share capital on the Record Date (the date on which those persons or entities registered in Iberclear as shareholders become Eligible Shareholders), assuming all of the New Shares are subscribed for in full by other Eligible Shareholders or third parties. Even where an Eligible Shareholder sells unexercised Preferential Subscription Rights prior to the expiration of the Preferential Subscription Period, the consideration received by such Eligible Shareholder may not be sufficient to fully compensate such Eligible Shareholder for the dilution of its percentage ownership of the Shares that may result from the Offering. Furthermore, after the Preferential Subscription Period ends, Preferential Subscription Rights that have not been exercised will expire and holders that have not exercised those Preferential Subscription Rights will not receive compensation for any expired Preferential Subscription Rights.

As of April 10, 2023, date of the resolution of the Company's Board of Directors approving to increase the share capital of Técnicas Reunidas through the issue and placement into circulation of the New Shares, Técnicas Reunidas owned, directly, 2,204,416 treasury Shares, representing approximately 3.94% of its share capital. Pursuant to Article 148 of the Spanish Companies Act, directly held treasury shares do not generate Preferential Subscription Rights. The rights that would have accrued to these treasury Shares, accrue directly to the other shareholders.

So as not to alter the calculation of the Preferential Subscription Rights needed for the subscription of the New Shares, Técnicas Reunidas shall not operate with treasury Shares from April 10, 2023 (date of the resolution of the Company's Board of Directors approving to increase the share capital) until the first trading date of the Shares without rights (ex-date) and first date of trading of the Preferential Subscription Rights, which, according to the envisaged timetable, is expected to be April 13, 2023.

Additionally, in order not to alter the exchange ratio agreed for the Offering, the Company agreed with Banco Santander, S.A. the temporary suspension of the liquidity contract by the parties with effects from April 11, 2023 (included), since April 10, 2023 was not a trading day in the Spanish Stock Exchanges, until April 13, 2023. Also, a member of the Senior Management has agreed not to exercise nor to sell 1 Preferential Subscription Right in order to allow for the exchange ratio agreed for the Offering to consist of whole numbers.

The calculations performed to determine the number of Preferential Subscription Rights necessary in order to subscribe the New Shares are included below:

- Total number of Shares prior to the Offering: 55,896,000.
- Number of directly held treasury Shares as of April 10, 2023 and as of the date of this Prospectus: 2,204,416.
- Number of Shares with Preferential Subscription Rights: 53,691,583 (excluding also 1 Preferential Subscription Right, which one member of the Company's management team has undertaken not to exercise nor to sell in order to allow for the exchange ratio agreed for the Offering to consist of whole numbers).
- Number of New Shares: 24,405,265.

Based on the value of each Share prior to the Offering, amounting to €10.02 per Share (the closing price per Share on the Spanish Stock Exchanges on April 6, 2023), the underlying carrying amount of the Preferential Subscription Rights would be €1.18 which is the result of applying the following formula:

$$UCA = \frac{(CPS - SPE) \times NSI}{PNS + NSI}$$

Where:

UCA: Underlying carrying amount of the Preferential Subscription Rights.

CPS: Closing price per Share on the AQS on April 6, 2023 (i.e. €10.02 per Share).

SPE: Subscription price per Share (€6.15).

PNS: Number of Shares prior to the Offering (55,896,000 Shares).

NSI: Number of Shares to be issued (24,405,265 Shares).

However, Preferential Subscription Rights will be freely traded and it is therefore impossible to anticipate the future market value of these rights.

New Shares

The issue of the New Shares will be governed by, and construed in accordance with, Spanish law. The issue and Admission of the New Shares does not require any authorization or administrative pronouncement other than (i) the general provisions on the CNMV's approval, (ii) the granting of the public deed of notarisation of the resolutions of the General Meeting and the Board of Directors authorising the capital increase (the "**First Public Deed**") and its registration with the Commercial Registry of Madrid, and (iii) the granting of the Second Public Deed (the Second Public Deed together with the First Public Deed, the "**Public Deeds**"), which shall be filed for registration with the Commercial Registry of Madrid within five days following its formalisation; all according to the provisions established in the Securities Market Act and its implementing regulations, and the Spanish Companies Act.

The Shares are listed on the Spanish Stock Exchanges and are quoted on the AQS under the symbol "TRE". The bylaws of the Company do not contain any restrictions on the free transferability of the Shares. However, the acquisition, exercise and holding of Preferential Subscription Rights and Shares by an investor may be affected by legal or regulatory requirements of its own jurisdiction, which may include restrictions on the free transferability of such securities. Investors should consult their own advisors prior to making any investment in the Preferential Subscription Rights and/or the New Shares. Pursuant to the Offering, the Company is offering New Shares that are fungible with the Company's outstanding Shares as of the date of this Prospectus. The New Shares will be listed on the Spanish Stock Exchanges and quoted on the AQS. The owners of the New Shares will be able to liquidate their investment through its sale on the respective trading markets. However, liquidity problems could arise and sell orders may not be promptly matched by adequate buy orders.

There are no special regulations on mandatory takeover bids or squeeze-out and sell-out rules with respect to the Shares, except those deriving from regulations on public takeover bids set down in the Securities Market Act and its implementing regulations (currently, Royal Decree 1066/2007, of July 27, on public takeover bids (the "**Royal Decree 1066/2007**")).

The Company expects the New Shares issued in the Offering to start trading on the Spanish Stock Exchanges from on or about May 5, 2023. When issued, the New Shares will enjoy the same economic and voting rights and will rank *pari passu* with the Shares.

In particular, holders of the New Shares will have the following rights, in the terms foreseen in the bylaws of Técnicas Reunidas and, as the case may be, in the applicable legislation:

(i) Dividend rights:

- (a) Date or dates on which dividend rights accrue: the New Shares will grant their owners the right to participate in the distribution of corporate earnings and net assets resulting from liquidation under the same conditions as the Shares. The New Shares will give shareholders a right to participate in the dividends, remuneration and any other form of distribution that Técnicas Reunidas might agree or pay to its shareholders from the date on which the Offering is declared to be subscribed and paid up (expected to be on May 4, 2023) (the "**Execution Date**").

- (b) Time limit after which entitlement to dividend lapses and person in whose favour the lapse operates: according to Article 947 of the Spanish Commercial Code, the right to receive payment of an already declared and paid out dividend lapses and reverts to the Company if it is not claimed within five years from the date it becomes payable.
- (c) Dividend restrictions and procedures for non-resident holders: the Company is not aware of any legal restrictions in Spain on the collection of dividends by non-resident holders, without prejudice to any withholdings which may be required under the Non-resident Income Tax, approved by Royal Legislative Decree 5/2004 of March 5, 2004, as amended (*Impuesto sobre la Renta de No Residentes*).
- (d) Rate of dividend or method for its calculation, periodicity and cumulative or non-cumulative nature of payments: as with the currently outstanding Shares, the New Shares will not give their holders any right to receive a minimum dividend. Therefore, the right to a dividend for these shares shall only arise from the moment that the General Shareholders' Meeting or Board of Directors, as the case may be, agrees a distribution of earnings.

For further details, see "*Dividend Policy*".

(ii) Voting rights:

The New Shares will be Shares with voting rights. Their owners will be entitled to attend and vote at any General Shareholders' Meeting, and also to contest corporate resolutions, as provided for under the general regime of the Spanish Companies Act, but subject to the provisions set forth under the bylaws of Técnicas Reunidas, and the applicable law, as the case may be, as set out below.

With regard to the right to attend any General Shareholders' Meeting, the Company's bylaws establish that shareholders holding at least 50 Shares who are duly registered in the book-entry records maintained by Iberclear and its Participant Entities at least five days prior to the day on which a General Shareholders' Meeting is scheduled may, in the manner provided in the notice for such meeting, attend at such meeting.

The Company's shareholders may be represented by another person, whether another shareholder or not. The bylaws of Técnicas Reunidas do not establish any restrictions on the maximum number of votes which a given shareholder or companies belonging to the same group may cast. Shareholders who are duly registered in the book-entry records maintained by Iberclear and its Participant Entities at least five days prior to the day on which a General Shareholders' Meeting is scheduled are entitled to one vote for every Share held.

Notwithstanding the above, in certain circumstances mandatory restrictions on voting may be applicable to the Shares to the extent the holders thereof may be affected by certain conflicts of interest as provided for under article 190.1 of the Spanish Companies Act.

(iii) Preferential rights in offers for subscription of securities of the same class:

Pursuant to the Spanish Companies Act, all Shares grant their holders a preferential subscription right in capital increases with issue of new shares (ordinary and preferential), charged against cash contributions, and in the issue of bonds convertible into Shares, except in the event of the total or partial exclusion of such preferential subscription rights as provided for under Articles 308, 504, 505 and 506 (for capital increases), and 417 and 511 (for issues of convertible bonds) of the Spanish Companies Act.

Holders of Shares are also entitled to the free allocation right set forth in the Spanish Companies Act in the case of increases in the fully-paid up share capital of the Company.

(iv) Right to share in the issuer's profits:

All of the Shares grant their owners the right to share in the Company's profits, in proportion to their nominal value.

(v) Rights to share in any surplus in the event of liquidation:

The New Shares will be Shares of the Company, and belong to the same class and series as the Shares currently outstanding. Therefore, the New Shares will grant the right, from the Execution Date, to share in any surplus resulting from liquidation, in the same terms and conditions as the currently outstanding Shares, pursuant to the Spanish Companies Act and the Company's bylaws.

Expected timetable of principal events

The summary timetable set forth below lists certain important dates relating to the Offering:

Principal event	On or about
Approval of this Prospectus by the CNMV	April 11, 2023
Filing of regulatory information notice announcing the registration of the Prospectus with the CNMV and estimated date of the commencement and end of the Preferential Subscription Period	April 11, 2023
Announcement of the Offering in the BORME and last trading date of Shares “with rights”	April 12, 2023
Granting before a Spanish public notary of the First Public Deed	April 12, 2023
Commencement of the Preferential Subscription Period and the period to request New Shares to be allocated (if applicable) during the Additional Allocation Period	April 13, 2023
First trading date of the Shares without rights (ex-date) and first date of trading of the Preferential Subscription Rights	April 13, 2023
Record Date (the date on which those persons or entities registered in Iberclear as shareholders become Eligible Shareholders)	April 14, 2023
End of trading of the Preferential Subscription Rights (guaranteed participation date)	April 26, 2023
End of the Preferential Subscription Period and the period to request New Shares to be allocated (if applicable) during the Additional Allocation Period	April 26, 2023
Additional Allocation Period (if applicable)	May 3, 2023
Filing of regulatory information notice announcing results of the Preferential Subscription Period and Additional Allocation Period (if applicable)	May 3, 2023
Filing of regulatory information notice announcing the commencement of the Discretionary Allocation Period	May 3, 2023
Commencement of the Discretionary Allocation Period (if applicable)	May 3, 2023
End of the Discretionary Allocation Period (if applicable)	May 4, 2023
Filing of regulatory information notice announcing results of the Offering and number of New Shares subscribed for in each period (if applicable)	May 4, 2023
Payment by the Participant Entities to the Agent Bank of the New Shares subscribed for during the Preferential Subscription Period and Additional Allocation Period (if applicable)	May 4, 2023
Payment (pre-funding) by the Pre-Funding Bank of the New Shares subscribed for in the Discretionary Allocation Period (if applicable)	May 4, 2023
Granting before a Spanish public notary of the Second Public Deed (Execution Date)	May 4, 2023
Filing of regulatory information notice announcing the granting of the Second Public Deed	May 4, 2023
Registration of the New Shares with Iberclear	May 4, 2023
Admission to listing of the New Shares by the CNMV and the Spanish Stock Exchanges	May 4, 2023
Execution of the Special Transaction for the transfer of Rump Shares allocated during the Discretionary Allocation Period (if applicable)	May 4, 2023

Principal event	On or about
Expected commencement of trading of the New Shares on the Spanish Stock Exchanges	May 5, 2023
Settlement date of the Special Transaction for the transfer of Rump Shares allocated during the Discretionary Allocation Period (if applicable).....	May 8, 2023
Filing with the Commercial Registry of the Second Public Deed.....	May 9, 2023

The specific dates for actions to occur in connection with the Offering that are set forth above and throughout this Prospectus are indicative only. There can be no assurance that the indicated actions will in fact occur on the cited dates or at all. If that is the case, the Company will as soon as possible publicly announce, via a regulatory information notice (*comunicación de información privilegiada o relevante*), such new dates and a revised expected timetable of principal events. Information will also be made available on the Company's website (www.tecnicasreunidas.es).

Notice

The Company expects to announce the capital increase and the commencement of the Offering on April 12, 2023 in the BORME and the Spanish Stock Exchanges Official Gazette. The Company will communicate significant developments in the Offering via regulatory information notices (*comunicaciones de información privilegiada o relevante*) through the CNMV website in accordance with Spanish law. Information will also be made available on the Company's website (www.tecnicasreunidas.es). Neither the Company's website nor any of its contents forms part of or is incorporated into this Prospectus, whether by reference or otherwise, except as otherwise provided herein. The CNMV has not examined nor approved the Company's website nor any of its contents.

Record Date and time

Eligible Shareholders (that is, shareholders (other than the Company) who acquired their Shares on or before April 12, 2023 and whose transactions are settled on or before April 14, 2023 in Iberclear) are entitled to Preferential Subscription Rights. Such Eligible Shareholders will be allocated one right for each Share owned.

The exercise of 11 Preferential Subscription Rights entitles the exercising holder to subscribe for 5 New Shares against payment of the Subscription Price in cash.

Subscription of New Shares

The Company has established a three-staged procedure for the subscription of the New Shares.

Preferential Subscription Period

The period during which the Eligible Shareholders may exercise their Preferential Subscription Rights, or Preferential Subscription Period, will last 14 calendar days, beginning on the first calendar day following the publication of the notice of the Offering in the BORME. According to the envisaged timetable, this period will commence on April 13, 2023 and last until April 26, 2023 (in each case inclusive of the start and end dates). Eligible Shareholders may exercise their Preferential Subscription Rights during the AQS trading days of this period. In accordance with the envisaged timetable, the AQS trading days are expected to begin on and include 8:30 a.m. CET on April 13, 2023 and end on and include 5:30 p.m. CET on April 26, 2023. Alternatively, Eligible Shareholders may sell their Preferential Subscription Rights in the market during the AQS trading days within such period, and purchasers of those Preferential Subscription Rights may subscribe for the corresponding number of New Shares, in each case, in compliance with applicable laws and regulations. During the Preferential Subscription Period, Eligible Shareholders or purchasers of Preferential Subscription Rights may exercise or sell their Preferential Subscription Rights, in whole or in part. Only those having exercised their Preferential Subscription Rights in full may confirm their agreement to subscribe for additional New Shares in excess of their pro rata entitlement.

To exercise Preferential Subscription Rights, Eligible Shareholders and purchasers of Preferential Subscription Rights during the Preferential Subscription Period should contact the Participant Entity in whose register such securities are registered, indicating their intention to exercise some or all of their Preferential Subscription Rights, and if they have elected to exercise their Preferential Subscription Rights in full, indicating whether they request additional New Shares in the Additional Allocation Period and, if so, specifying the whole number of additional New Shares. Holders of Preferential Subscription Rights may exercise all or part of their rights at their discretion.

Holders of Preferential Subscription Rights that have exercised all of their Preferential Subscription Rights in the Preferential Subscription Period may request the allocation of additional New Shares in excess of their pro rata entitlement in the Additional Allocation Period at the time they exercise their Preferential Subscription Rights. Holders of rights' requests are not subject to any maximum number of additional New Shares. While requests for additional New Shares may not be satisfied in full or at all, such requests shall nevertheless be considered firm and unconditional.

To request additional New Shares, holders of Preferential Subscription Rights should contact the Participant Entity with whom their Preferential Subscription Rights are deposited. The Participant Entities will be responsible for verifying that each holder of Preferential Subscription Rights taking up additional New Shares has exercised his Preferential Subscription Rights in respect of all of the Preferential Subscription Rights deposited by such holders with such Participant Entity.

During the Preferential Subscription Period, the Participant Entities will notify Banco Bilbao Vizcaya Argentaria, S.A. as the agent bank (the "**Agent Bank**") of the aggregate total number of New Shares in respect of which subscription orders have been made in accordance with the exercise of Preferential Subscription Rights by their holders and the number of additional New Shares requested since the start of the Preferential Subscription Period on each day of the Offering, no later than 5:00 p.m. CET by email or fax.

The Participant Entities should communicate to the Agent Bank, on behalf of their clients or in their own name (as applicable), the aggregate amount of subscription orders for New Shares received by them in accordance with the exercise of Preferential Subscription Rights and, separately, the total volume of additional New Shares requested, no later than 10:00 a.m. CET on the third Madrid business day following the end of the Preferential Subscription Period (according to the envisaged timetable, the third Madrid business day following the end of the Preferential Subscription Period is expected to be May 3, 2023) in accordance with the operative instructions established by the Agent Bank.

The communications to be sent by the Participant Entities to the Agent Bank containing the details of the New Shares subscribed for during the Preferential Subscription Period and of the request for additional New Shares must comply with the Practical Guide for Communication between Depositary Entities and the Agent Entity for the Processing of Corporate Events produced by AEB-CECA on September 1, 2017 (the "**Practical Guide**"). The files must be received by the Agent Bank with the breakdown of investors described in the aforementioned Practical Guide, without the Agent Bank being responsible under any circumstances for verifying the integrity and accuracy of the data provided by the Participant Entities. Only the Participant Entities will be responsible for errors or omissions in the information provided by Participant Entities, defects in the files or electronic transmissions sent and, in general, any failure on the part of the Participant Entities to comply with the provisions of this section, without the Agent Bank assuming any responsibility in this regard.

The Agent Bank is entitled to not accept communications from the Participant Entities that are submitted after the relevant deadline, or which do not comply with relevant current legislation or the relevant requirements set out in this Prospectus. If this occurs, neither the Agent Bank nor the Company accepts any responsibility, without prejudice to the potential responsibility of the relevant Participant Entity towards parties who have submitted their orders within the required timeframe and/or in the correct format.

Once the Preferential Subscription Period has ended and in the event that all New Shares are fully subscribed for during such Preferential Subscription Period, the Company may early terminate the Offering, which will not entail a modification of the timetable (see "*-Expected timetable of principal events*"). In that case, the Agent Bank will inform the relevant Participant Entities of the definitive allocation of the New Shares during the Preferential Subscription Period upon the end of the Preferential Subscription Period. The Participant Entities will in turn inform each investor of the definitive New Shares allocated to such investor.

The possibility of reducing subscription orders already submitted in the Preferential Subscription Period has not been envisaged. Orders to take up New Shares received during the Preferential Subscription Period and requests to subscribe for additional New Shares will be deemed to be irrevocable, firm and unconditional and may not be cancelled or modified by holders of Preferential Subscription Rights (except where a supplement to this Prospectus is published, in which case investors who have already agreed to subscribe for New Shares will have the right, exercisable within two business days after publication of such supplement, to withdraw their subscriptions of New Shares in exercise of Preferential Subscription Rights and their request, if applicable, for additional New Shares, provided that the new factor, mistake or inaccuracy to which the supplement refers arises before the closing of the offer (i.e. when the Company declares the share capital increase executed and grants the corresponding Second Public Deed before a Spanish public notary, which is expected to take place on the Execution Date)). In the event a supplement to this Prospectus is published, investors who had acquired Preferential Subscription Rights in the market and revoke such subscriptions will lose such investment.

Additional Allocation Period

To the extent that at the expiration of the Preferential Subscription Period there are New Shares that have not been subscribed for, the Company will allocate them to holders of Preferential Subscription Rights that have exercised all of their Preferential Subscription Rights and have indicated at the time of such exercise their agreement to subscribe for additional New Shares in excess of the New Shares corresponding to their Preferential Subscription Rights. This is currently expected to take place no later than 5:00 p.m. CET on the third Madrid business day immediately following the end of the Preferential Subscription Period (according to the envisaged timetable, the third Madrid business day following the end of the Preferential Subscription Period is expected to be May 3, 2023).

Depending on the number of New Shares taken up in the Preferential Subscription Period and the applications the Company receives for additional New Shares, holders of Preferential Subscription Rights may receive fewer additional New Shares than they have requested or none at all (but, in any event, not more additional New Shares than those requested by them).

On the date of the Additional Allocation Period (which, according to the envisaged timetable, is expected to be May 3, 2023), the Agent Bank will determine the number of New Shares that have not been taken up in the Preferential Subscription Period. The Agent Bank will allocate the New Shares not taken up on the date of the Additional Allocation Period subject to the following allocation criteria:

- If the number of additional New Shares requested by holders of Preferential Subscription Rights who have exercised in full their Preferential Subscription Rights is equal to or less than the additional New Shares available, then the additional New Shares will be assigned to the holders of Preferential Subscription Rights who requested additional New Shares until their requests are fully satisfied.
- If the number of additional New Shares requested by holders of Preferential Subscription Rights who have exercised in full their Preferential Subscription Rights is greater than the additional New Shares available, the Agent Bank will apply the following pro rata allocation:
 - The number of New Shares will be allocated pro rata to the volume of additional New Shares requested by each holder of Preferential Subscription Rights. To this end, the Agent Bank will calculate the quotient, which will be rounded down to three decimals, of the number of additional New Shares a given holder of Preferential Subscription Rights has requested, divided by the aggregate of additional New Shares requested.
 - The Agent Bank will then allocate to the holders of Preferential Subscription Rights the number of additional New Shares that results from multiplying such quotient by the number of additional New Shares available, rounded down to the nearest whole number of additional New Shares.
 - If after the pro rata allocation, all available additional New Shares have not been allocated due to rounding, the Agent Bank will allocate these remaining additional New Shares, one by one, starting with the holder of Preferential Subscription Rights who has solicited the greatest number of additional New Shares. If two or more holders of Preferential Subscription Rights have requested the same number of additional New Shares, the Agent Bank will determine allocations by alphabetical order, taking the first letter of the field “name and last name or corporate name”.

Allocation of the additional New Shares will take place by no later than 5:00 p.m. CET on the date of the Additional Allocation Period (which, according to the envisaged timetable, is expected to be May 3, 2023). Any additional New Shares allocated to holders of Preferential Subscription Rights during the Additional Allocation Period will be deemed subscribed during the Additional Allocation Period, not the Preferential Subscription Period. In no circumstances shall more additional New Shares be assigned to Eligible Shareholders or investors than those they have requested. The Agent Bank will inform the relevant Participant Entities of the definitive allocation of the additional New Shares during the Additional Allocation Period on the day of the Additional Allocation Period. The Participant Entities will in turn inform each investor of the definitive New Shares allocated to such investor.

If there are no New Shares remaining unsubscribed at the end of the Additional Allocation Period, the Discretionary Allocation Period will therefore not open and the Agent Bank will notify the Participant Entities no later than by 6:00 p.m. CET on such date. Likewise, promptly after the end of the Additional Allocation Period, the Company will publicly announce, via a regulatory information notice (*comunicación de información privilegiada o relevante*), the results of subscriptions during the Preferential Subscription Period and, as applicable, the number of additional New Shares requested in the Additional Allocation Period, results of prorating (if relevant) and the number of additional New Shares assigned.

The possibility of reducing subscription orders already submitted in the Preferential Subscription Period has not been envisaged. Orders to take up New Shares received during the Preferential Subscription Period and requests to subscribe for additional New Shares will be

deemed to be irrevocable, firm and unconditional and may not be cancelled or modified by holders of Preferential Subscription Rights (except where a supplement to this Prospectus is published). In such event, holders of Preferential Subscription Rights that have exercised their Preferential Subscription Rights during the Preferential Subscription Period or requested additional New Shares to be allocated during the Additional Allocation Period will have the right, exercisable within two business days after publication of such supplement, to withdraw their subscriptions or requests, as applicable, if such significant factor arises before the closing of the offer (i.e. when the Company declares the share capital increase executed and grants the Second Public Deed before a Spanish public notary, which is expected to take place on the Execution Date). In the event a supplement to this Prospectus is published, investors who had acquired Preferential Subscription Rights in the market and revoke such subscriptions will lose such investment.

Discretionary Allocation Period and underwriting

If, following the Preferential Subscription Period and the Additional Allocation Period any New Shares remain unsubscribed, the Agent Bank will notify the Joint Global Coordinators by no later than 5:30 p.m. CET on the third Madrid business day following the end of the Preferential Subscription Period (according to the envisaged timetable, the third Madrid business day following the end of the Preferential Subscription Period is expected to be May 3, 2023) of the number of Rump Shares to be allocated during the Discretionary Allocation Period. The Discretionary Allocation Period, if any, is expected to begin at any time after the end of the Additional Allocation Period (which, according to the envisaged timetable, is expected to be May 3, 2023) and end no later than 8:00 a.m. CET on May 4, 2023, without prejudice to the ability of the Joint Global Coordinators to terminate it prior to such time.

The Company will announce the commencement of the Discretionary Allocation Period in a regulatory information notice (*comunicación de información privilegiada o relevante*).

If there are Rump Shares, the Joint Global Coordinators have agreed, subject to the terms and conditions of the Underwriting Agreement, to use reasonable efforts to procure subscribers for the Rump Shares during the Discretionary Allocation Period and, failing which, to subscribe and pay for such Rump Shares at the Subscription Price pro rata to their respective underwriting commitments. The commitment of the Joint Global Coordinators is subject to the satisfaction or waiver of certain conditions precedent, and the Underwriting Agreement and the underwriting commitments may be terminated by the Joint Global Coordinators in certain circumstances. See “*Plan of Distribution*”.

During the Discretionary Allocation Period, only persons who: (i) are in Spain and have the status of qualified investors in Spain, as this term is defined in Article 2(e) of the Prospectus Regulation, (ii) are in the United States and are QIBs within the meaning of Rule 144A or (iii) who are outside Spain and the United States and have the status of qualified investors pursuant to the applicable legislation in the relevant country (so that complying with the relevant regulations, the subscription and payment of the Rump Shares do not require registration or approval of any kind) may submit proposals to the Joint Global Coordinators to subscribe for Rump Shares.

The subscription proposals will be deemed to be firm, unconditional and irrevocable and shall include the number of Rump Shares that each investor is willing to subscribe at the Subscription Price, except where a supplement to this Prospectus is published, in which case investors that have made such proposals will have the right, exercisable within two business days after publication of such supplement, to withdraw subscription proposals made before the publication of such supplement provided that the new factor, mistake or inaccuracy to which the supplement refers arises before the closing of the offer (i.e. when the Company declares the share capital increase executed and grants the Second Public Deed before a Spanish public notary, which is expected to take place on the Execution Date). In the event of termination of the Underwriting Agreement, or if the underwriting and pre-funding obligations of the Joint Global Coordinators under the Underwriting Agreement do not come into force as a result of the failure to fulfil or waive any conditions precedent, this will be considered a significant factor which requires the publication of a supplement.

The Joint Global Coordinators receiving proposals to subscribe for Rump Shares must communicate to the Company, on behalf of the submitting parties, prior to 8:00 a.m. CET on the day corresponding to the end of the Discretionary Allocation Period the total volume of Rump Shares subscription proposals received by them in accordance with the Underwriting Agreement. The Company shall determine after consultation with the Joint Global Coordinators the definitive allocation of the Rump Shares to subscribers on the basis of their subscription requests notified by the Joint Global Coordinators (acting reasonably, provided that the Company may only reject allocations to investors in the book for the Rump Shares so long as the Joint Global Coordinators would not be forced as a result of any such rejection to purchase any such Rump Shares), which shall be communicated to the Joint Global Coordinators and the Agent Bank not later than 8:00 a.m. CET on May 4, 2023. In turn, the Joint Global Coordinators will communicate the definitive allocation of the Rump Shares to the submitting parties.

The transfer to qualified investors or the Joint Global Coordinators, as the case may be, of New Shares allocated during the Discretionary Allocation Period (if any) will be effected by the Pre-Funding Bank by means of one or more “special transactions” (*operación bursátil*

especial) (the “**Special Transaction**”) outside of market hours. In accordance with the envisaged timetable, and if applicable, it is expected that the Special Transaction will be executed on May 4, 2023 and settled on May 8, 2023.

Notwithstanding the above, the Joint Global Coordinators and the Company may agree to terminate the Discretionary Allocation Period at any time prior to its end, provided that the capital increase has been fully subscribed. If there are Rump Shares once the Additional Allocation Period for additional New Shares has ended, the Joint Global Coordinators may decide not to open the Discretionary Allocation Period or to close it early, in which case the Joint Global Coordinators will subscribe directly the appropriate New Shares at the Subscription Price in proportion to their respective underwriting obligations.

Promptly after the end of the Discretionary Allocation Period, if any, the Company will publicly announce, via a regulatory information notice (*comunicación de información privilegiada o relevante*), the final results of the Offering, specifying the number of New Shares taken up or allocated in each period.

Payment

New Shares subscribed during the Preferential Subscription Period

Subscribers must make payment in full of the Subscription Price, comprising the nominal value and premium value, at the time of subscription for each New Share subscribed for during the Preferential Subscription Period. Subscribers should make payment to the Participant Entity through which they have filed their subscription orders. Applications for New Shares in exercise of Preferential Subscription Rights for which payment is not received in accordance with the foregoing shall be deemed not to have been made. Preferential Subscription Rights not exercised or sold during the Preferential Subscription Period will lapse automatically and holders will not be compensated.

If an authorized Participant Entity has not received full payment of the Subscription Price for New Shares on or before the expiration date of the Preferential Subscription Period which, in accordance with the envisaged timetable, is expected to be April 26, 2023, the related Preferential Subscription Rights will lapse. Holders of Preferential Subscription Rights that lapse will not be compensated.

The Participant Entity with whom orders for the subscription of New Shares in exercise of Preferential Subscription Rights have been placed, shall pay in an account with the Agent Bank all amounts payable with respect to such New Shares, for same-day value, such that they are received by the Company no later than 10:00 a.m. CET on the Execution Date (before the Company declares the share capital increase executed and grants the Second Public Deed before a Spanish public notary).

If any of the Participant Entities, having paid up the amounts corresponding to these subscriptions within the aforementioned period, does not report the list of subscribers to the Agent Bank under the terms envisaged in this Prospectus, the Agent Bank will allocate the New Shares paid on behalf of the aforementioned Participant Entity to such Participant Entity, without the Agent Bank or the Company assuming any liability and without prejudice to any possible liability that may be incurred by the infringing Participant Entity with regard to the holders that have timely placed their subscription orders for New Shares with such Participant Entity.

New Shares subscribed during the Additional Allocation Period

Full payment of the Subscription Price for each New Share allocated during the Additional Allocation Period will be made by each holder of Preferential Subscription Rights having been allocated additional New Shares, no later than 10:00 a.m. CET on the Execution Date (before the Company declares the share capital increase executed and grants the Second Public Deed before a Spanish public notary), via the Participant Entity through which such holder of Preferential Subscription Rights solicited the additional New Shares. Applications for additional New Shares in respect of which payment is not received in accordance with the foregoing will be deemed not to have been made.

Notwithstanding the above, Participant Entities may require that holders of Preferential Subscription Rights requesting additional New Shares fund in advance the Subscription Price of the additional New Shares requested by them at the time of such request. If a requesting holder of Preferential Subscription Rights prefunds and the number of additional New Shares finally allocated to such requesting holder of Preferential Subscription Rights is less than the number of additional New Shares requested and prefunded by the requesting holder, the Participant Entity will return to such holder of Preferential Subscription Rights, without deduction for expenses and fees, the amount corresponding to the excess subscription monies or, as the case may be, the whole Subscription Price for any additional New Shares subject of such a return, all in accordance with the procedures applicable to such Participant Entity. To obtain additional information on the procedure such Participant Entity follows in order to return the relevant amount, the holder of Preferential Subscription Rights should consult the Participant Entity through which such holder solicited the additional New Shares. If a delay in the return occurred, the Participant Entity must pay the late payment interest at the applicable legal rate, which will accrue from the date on which the funds should have been returned until this return effectively takes place.

The Participant Entities receiving requests for additional New Shares shall pay all amounts payable, for same-day value, through the channels made available by Iberclear, such that they are received by the Company in an account with the Agent Bank no later than 10:00 a.m. CET on the Execution Date.

If any of the Participant Entities that has made the payment in full of the Subscription Price subsequently fails to confirm to the Agent Bank the list of subscribers on behalf of whom such payment has been made, the Agent Bank shall allocate the New Shares subscribed to such Participant Entity, without any liability whatsoever for the Agent Bank or the Company, without prejudice to any claim the holder of Preferential Subscription Rights(s) in question may have against the defaulting Participant Entity.

New Shares allocated during the Discretionary Allocation Period

Full payment of the Subscription Price for each Rump Share allocated during the Discretionary Allocation Period shall be made by the qualified institutional investors that have subscribed for such Rump Shares by no later than the settlement date (which, according to the envisaged timetable, is expected to be May 8, 2023), without prejudice to the pre-funding obligations envisaged in this section.

Joint Global Coordinators that receive subscription requests for any Rump Shares may ask investors to provide funds in advance in order to ensure payment for the Subscription Price of any Rump Shares that may be allocated to them, where applicable. If their subscription proposal is rejected, the corresponding funds provided by such investors must be returned to them, free of any expenses or fees, with a value date of the working day following the end of the Discretionary Allocation Period. If a subscription proposal is partially rejected, only the funds provided for the portion of the subscription proposal that was rejected will be returned. If there is a delay in returning the funds, the Joint Global Coordinators must pay the late payment interest at the applicable legal interest rate, which will accrue from the date on which the funds should have been returned until this return effectively takes place.

For operational purposes, to allow the admission of the New Shares to listing to take place as soon as possible, the Pre-Funding Bank has agreed to subscribe for and prefund in full the subscription monies corresponding to the Rump Shares allocated to qualified institutional investors during the Discretionary Allocation Period or otherwise to be acquired by the Joint Global Coordinators pursuant to their underwriting commitments, subject to the satisfaction or waiver of the conditions contained in the Underwriting Agreement. Such prefunded subscription monies must be received by the Company, without deduction of any underwriting or other commissions and expenses, by no later than 10:00 a.m. CET on May 4, 2023 (the “**Pre-funding Time**”).

This payment must be made all at once on the same value date through a funds transfer order. The total amount corresponding to the payment of the New Shares subject to pre-funding will be deposited by the Pre-Funding Bank in a bank account opened in the name of the Company with the Agent Bank.

General considerations for investors in countries with currencies other than the euro

The Preferential Subscription Rights and New Shares have been priced in euro on their primary trading market. Any investment in Preferential Subscription Rights or New Shares by an investor whose principal currency is not the euro exposes the investor to foreign currency exchange risk. Consequently, fluctuations in the value of the euro against other currencies will affect the currency equivalent value of the price of the Preferential Subscription Rights and the New Shares.

Notarization, registrations, delivery, admission to trading and commencement of trading in Spain of the New Shares

Following receipt of subscription monies due, the Company shall declare the share capital increase executed (fully or partially, as the case may be) and proceed to the granting of the Second Public Deed before a Spanish public notary for its subsequent filing with the Commercial Registry of Madrid within five days following its formalisation pursuant to article 508.2 of the Spanish Companies Act.

Granting of the Second Public Deed before a Spanish public notary is, in accordance with the envisaged timetable, expected to take place on May 4, 2023. Following its granting, the Second Public Deed will be delivered to Iberclear and the Madrid Stock Exchange, as the lead stock exchange for the listing of the Shares. New Shares issued as a result of exercising Preferential Subscription Rights and pursuant to the allocation of New Shares in the Additional Allocation Period and the Rump Shares in the Discretionary Allocation Period will be registered with Iberclear as soon as practicable after granting the Second Public Deed before the Spanish public notary.

The Company will (a) request the verification of compliance with the requirements for admission to trading of the New Shares by the CNMV and (b) request the admission to trading on the Spanish Stock Exchanges and on the AQS (such requests, in accordance with the envisaged admission timetable are expected to take place on May 4, 2023). Iberclear will notify the Eligible Shareholders and investors of the book-entry references of their respective holdings of New Shares (subscribed during the Preferential Subscription Period and the Additional Allocation Period) via the Participant Entities. Iberclear will also notify the Pre-Funding Bank, on a temporary basis, of the book entry-references of their holdings of New Shares (allocated during the Discretionary Allocation Period), in accordance with

their pre-funding obligations or underwriting commitments, as applicable. The Pre-Funding Bank will transfer the New Shares subject to pre-funding to the final investors or the Joint Global Coordinators, as the case may be, through the execution of the Special Transaction.

The Special Transaction is expected to take place on May 4, 2023. In turn, the Joint Global Coordinators must send the Agent Bank files with the information on the final investors for the New Shares corresponding to the Discretionary Allocation Period (or, if applicable, the relevant information on the Joint Global Coordinators), which must comply with the specifications indicated in the Practical Guide, no later than 5:30 p.m. CET on the day the aforementioned Special Transaction occurs.

Following the transfer of New Shares allocated during the Discretionary Allocation Period from the Pre-Funding Bank to the investors or the Joint Global Coordinators, as the case may be, the Agent Bank will notify Iberclear via the Spanish Stock Exchanges of the information relating to the entities that have been allocated New Shares, so that registration is made in accordance with the information received from the Joint Global Coordinators.

The New Shares will be registered with the Iberclear Central Registry once the Second Public Deed is granted before a Spanish public notary. On the same day as the registration with the Iberclear Central Registry takes place, the Participant Entities will carry out the corresponding registrations in their accounting records in favour of the investors or the Joint Global Coordinators who subscribed the New Shares.

The new shareholders will have the right to obtain the certificates of ownership corresponding to their Shares from the Participant Entities in which the New Shares are registered, in accordance with the provisions of Royal Decree 878/2015, of October 2. Participant Entities must issue these certificates prior to the end of the AQS trading day following that on which they were requested by the subscribers.

Withdrawal and termination

No grounds for termination or revocation of the Offering that is the subject matter of this Prospectus are envisaged other than those that may arise from the application of the law or compliance with a court or administrative ruling or with that set forth below.

The Underwriting Agreement may be terminated by the Joint Global Coordinators (thereby terminating the envisaged underwriting and pre-funding obligations of the Joint Global Coordinators), if, at any time from and including the date of the Underwriting Agreement until the time of granting of the Second Public Deed, any of the termination events envisaged therein shall occur. In the event of termination of the Underwriting Agreement, or if the underwriting and pre-funding obligations of the Joint Global Coordinators under the Underwriting Agreement do not come into force as a result of the failure to fulfil or waive any conditions precedent, this will be considered a significant factor which requires the publication of a supplement (see "*Plan of Distribution–Underwriting Agreement*" for more information on the events of termination of the Underwriting Agreement).

In such event, holders of Preferential Subscription Rights that have exercised their Preferential Subscription Rights during the Preferential Subscription Period or requested additional New Shares to be allocated during the Additional Allocation Period, as well as investors of New Shares allocated during the Discretionary Allocation Period, will have the right, exercisable within two business days after publication of such supplement, to withdraw their subscriptions or requests, as applicable, if such significant factor arises before the closing of the offer (i.e. when the Company declares the share capital increase executed and grants the corresponding Second Public Deed before a Spanish public notary, which is expected to take place on the Execution Date).

Any amounts funded in advance by the holders of Preferential Subscription Rights which have exercised their Preferential Subscription Rights or that have requested additional New Shares will be returned by the relevant Participant Entity, without deduction for expenses and fees, all in accordance with the procedures applicable to such Participant Entity. If a delay in the return occurred, the Participant Entity must pay the late payment interest at the applicable legal rate, which will accrue from the date on which the funds should have been returned until this return effectively takes place. Investors who had acquired Preferential Subscription Rights in the market and revoke such subscriptions will lose such investment. To obtain additional information on the procedure each such Participant Entity follows in order to return the relevant amount, the holder of Preferential Subscription Rights should consult the Participant Entity through which such holder has exercised its Preferential Subscription Rights or has requested additional New Shares. With regards to any amounts funded in advance by investors who request the allocation of New Shares during the Discretionary Allocation Period, the Joint Global Coordinators must return the amounts to them, free of any expenses or fees, with a value date of the working day following the end of the Discretionary Allocation Period. If there is a delay in returning the funds, the Joint Global Coordinators must pay the late payment interest at the applicable legal interest rate, which will accrue from the date on which the funds should have been returned until this return effectively takes place.

Shareholders resident in certain unauthorized jurisdictions

No action has been taken, or will be taken, in any jurisdiction other than Spain that would permit a public offering of the Preferential Subscription Rights or the New Shares, or possession or distribution of this Prospectus or other offering or publicity materials issued in connection with this Offering, in any country or jurisdiction where action for that purpose is required.

Accordingly, the Preferential Subscription Rights and the New Shares may not be exercised, offered or sold, directly or indirectly, and neither this Prospectus nor any other offering or publicity materials issued in connection with this Offering may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

USE OF PROCEEDS

The Company expects net proceeds from the Offering of approximately €142.5 million: gross proceeds of approximately €150 million less (i) approximately up to €2.7 millions of commissions payable to the Joint Global Coordinators under the Underwriting Agreement, assuming placement of all the New Shares and payment of the discretionary commission, and (ii) other expenses related to the Offering in the amount of approximately €4.8 million.

The primary objective of the Offering is to strengthen the Group's equity position to support the future growth which is expected to come from the new investment wave in the overall energy industry and the energy intensive industry in line with the commitments acquired under the Viability Plan envisaged under the SEPI Financial Support. Participants in the engineering and construction industry have reinforced their respective balance sheet in recent quarters, either through operations or through capital increases. A stronger balance sheet would enhance the Group's competitive positioning in new tenders, thus becoming more successful in capturing the expected industry growth. In this regard, the net proceeds will be used to:

- approximately one third will be devoted to financing the operational expenditures that will be required by the Low Carbon Technologies segment in the context of the energy transition, covering the segment's annual cash needs which are expected to arise throughout 2023, 2024 and 2025 and which will be related to: (a) the investment required to set up platforms for business development and project structuration in Spain, Europe and the United States, with dedicated teams for project structuration in the aforementioned regions; (b) the requirements in the early development stage of self-sourced projects through the activity of project structuration; (c) the investment of engineering services in the development and scale up of low carbon technologies; and (d) the support in early development stages of third party sourced projects; and/or
- approximately one third will be devoted to optimizing the Group's Net Cash^{APM} position, reinforcing the cash levels in line with the size of the Group and its expected future evolution; and
- approximately one third will be devoted to continue reducing the Group's level of indebtedness which will contribute to the Group maintaining a sound balance sheet that enables it being awarded new performance bonds required to ordinarily develop its business activities. In particular, this amount will be devoted to repay (i) €33,500 thousand of the Syndicated ICO Loan and (ii) €14,000 thousand of the Syndicated CESCE Financing Agreement.

DIVIDEND POLICY

The Company does not have a formal dividend policy and has not distributed dividends during the three-year period covered by the historical financial information. The Company's ability to pay dividends to its shareholders is limited by the SEPI Financial Support (as defined herein), as well as by the Syndicated CESCE Financing Agreement and the Syndicated ICO Loan, which as of the date of this Prospectus are the only covenants limiting the distribution of dividends in any financing agreement entered into by the Company), and consequently the Company will not pay dividends in the near future.

The Company may consider the payment of dividends (or other methods of returning net proceeds to shareholders in a tax efficient manner) in the future when, in their view, the Company has sufficient distributable profits after taking into account the working capital need. The ability of the Company to distribute dividends in the future to its shareholders, will depend on a number of circumstances and factors including, but not limited to, the amount of net profit attributable to the Company in any financial year, any limitations on the distribution of dividends included in the Company's financing agreements, and the Group's growth strategy.

As of the date of this Prospectus, there are certain covenants limiting the distribution of dividends in the following financing agreements entered into by the Company: (i) the SEPI Financial Support, which contains certain financial covenants by virtue of which the Company shall not carry out cash outflows to shareholders, whether in the form of dividends, management fees, interest payments, debt repayments, intra-group loans or cash pooling until the full repayment on or before the maturity date (*i.e.* August, 2026) of the 100% of the SEPI Financial Support; and (ii) the Syndicated CESCE Financing Agreement and the Syndicated ICO Loan, which only permit profit distribution for the years 2021 to 2024 up to: (a) 30% of the consolidated net profit for the financial years ended December 31, 2021 and December 31, 2022; (b) 40% of the consolidated net profit for the financial year ended December 31, 2023; and (c) 50% of the consolidated net profit for the financial year ended December 31, 2024 (see "*Operating and financial review—Liquidity and Capital Resources—Borrowings—Borrowings by type—Loans and credit facilities*").

The conditions under which the Company may declare or distribute dividends in accordance with Spanish law and the Company's bylaws are described under "*Description of Share Capital—Dividend and liquidation rights*".

Spanish law requires companies incorporated in Spain to contribute at least 10% of their net income each year to a legal reserve until the balance of such reserve is equivalent to at least 20% of the respective company's issued share capital. A company's legal reserve is not available for distribution to its shareholders except upon such company's liquidation. The Company's legal reserve as of December 31, 2022 was €1,137 thousand which, as of the date of this Prospectus, is equivalent to approximately 20.3% of the Company's issued share capital (assuming the Offering is fully subscribed, the Company's legal reserve will fall below the minimum legal threshold to an amount equivalent to approximately 14.16% of the Company's issued share capital and, therefore, the Company shall contribute at least 10% of its net income each year to the legal reserve until the balance of such reserve reaches the minimum legal threshold of 20%).

There can be no assurance that any dividends distributed will be declared and paid with respect to any future periods. Any dividends or cash available to be distributed in the future against distributable reserves and/or against the net profit attributable to the Company for the period will be subject to tax under Spanish law. See "*Taxation—Spanish tax considerations*".

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth (i) the Company's capitalization and indebtedness as of February 28, 2023, (ii) the adjustments to the Company's capitalization and indebtedness required to reflect the Offering and the net proceeds thereof (assuming the Offering is fully subscribed), (the "Adjustments"); and (iii) the Company's total capitalization and indebtedness adjusted to reflect the Adjustments.

In the Company's opinion, its working capital is sufficient to meet its present requirements over at least 12 months. The net proceeds from the Offering have not been taken into account in the working capital calculation.

Capitalization

	As of February 28, 2023 ⁽¹⁾	Adjustments to reflect the impact of the Offering	As adjusted
	(unaudited)	(unaudited)	(unaudited)
	(in thousands of €)		
Total Current Debt (including current portion of non-current debt)⁽²⁾	281,426.26	(47,500.00)⁽⁶⁾	233,926.26
Guaranteed	-	-	-
Secured	-	-	-
Unguaranteed / unsecured	281,426.26	(47,500.00) ⁽⁶⁾	233,926.26
Total Non-Current Debt (excluding current portion of non-current debt)⁽²⁾⁽³⁾	691,260.42	-	691,260.42
Guaranteed	-	-	-
Secured	-	-	-
Unguaranteed / unsecured	691,260.42	-	691,260.42
Shareholder equity⁽⁴⁾	93,656.95	142,592.38⁽⁷⁾	236,249.33
Share capital	5,589.60	2,440.53	8,030.13
Legal reserve	1,137.45	-	1,137.45
Other reserves	86,929.89 ⁽⁵⁾	140,151.85 ⁽⁸⁾	227,081.74
Total	1,066,343.62	95,092.38	1,161,436.62

(1) Consolidated financial figures as of February 28, 2023.

(2) Including current and non-current borrowings associated with rights of use of leased assets obligations in an amount of €17,069.42 thousand and €32,763.57 thousand, respectively.

(3) Including the Profit Sharing Loan of the SEPI Financial Support in an amount of €175,000 thousand.

(4) Shareholder equity excluding minority shareholders.

(5) Other reserves as of February 28, 2023 include: Share premium in an amount of €8,691.14 thousand, Treasury Shares in an amount of €73,367.26 thousand, Capitalisation reserve in an amount of €3,056.00 thousand, Hedging reserve in an amount of €11,795.27 thousand, Cumulative translation differences in an amount of €62,782.08 thousand, Retained earnings in an amount of €223,127.37 thousand and Non-controlling interests in an amount of €11,198.18 thousand.

(6) Approximately one third of the net proceeds from the Offering (€47,500 thousand) will be devoted to repay (i) €33,500 thousand of the Syndicated ICO Loan and (ii) €14,000 thousand of the Syndicated CESCE Financing Agreement. See "Use of Proceeds".

(7) Net proceeds from the Offering calculated assuming 24,405,265 New Shares at a subscription price of €6.15 per Share minus €7,500 thousand in commissions and expenses related to the Offering.

(8) Other reserves' adjustment to reflect the impact from the Offering includes the Share Premium of the New Shares in an amount of €147,651.85 thousand less the Retained earnings corresponding to commissions and expenses related to the Offering in an amount of, approximately, €(7,500) thousand.

Indebtedness

	As of February 28, 2023 ⁽¹⁾	Adjustments to reflect the impact of the Offering	As adjusted
	(unaudited)	(unaudited)	(unaudited)
	(in thousands of €)		
A Cash ⁽²⁾	452,285.90	95,000.00 ⁽⁵⁾	547,285.90
B Cash equivalents ⁽²⁾	297,414.00	-	297,414.00
C Other current financial assets.....	-	-	-
D Liquidity (A+B+C)	749,699.90	95,000.00⁽⁵⁾	844,699.90
E Current financial debt (including debt instruments, but excluding current portion of non-current financial debt).....	107,079.31	-	107,079.31
F Current portion of noncurrent financial debt.....	174,346.95	(47,500.00)	126,846.95
G Current financial indebtedness (E+F)⁽³⁾	281,426.26	(47,500.00)	233,926.26
H Net current financial indebtedness (G-D)	(468,273.64)	(142,500.00)	(610,773.64)
I Non-current financial debt (excluding current portion and debt instruments) ⁽⁴⁾	585,884.84	--	585,884.84
J Debt instruments.....	105,375.58	-	105,375.58
K Non-current trade and other payables.....	-	-	-
L Non-current financial indebtedness (I+J+K)⁽³⁾	691,260.42	-	691,260.42
M Total financial indebtedness (H+L)	222,986.78	(142,500.00)	80,486.78

(1) Consolidated financial figures as of February 28, 2023.

(2) There are restrictions on the availability of Cash and Cash equivalents corresponding to cash sitting in joint ventures, branches and *Uniones Temporales de Empresas* of the Group in an amount of €473,059.65 thousand, the availability of which is subject to unanimous approval of the partners of the relevant joint venture, branch or *Unión Temporal de Empresas*.

(3) Including current and non-current borrowings associated with rights of use of leased assets obligations in an amount of €17,069.42 thousand and €32,763.57 thousand, respectively.

(4) Excluding the Profit Sharing Loan of the SEPI Financial Support in an amount of €175,000 thousand.

(5) An amount of approximately €95,000 thousand of net proceeds from the Offering will be maintained as cash. Out of this amount, (i) approximately €47,500 thousand will remain as cash in order to optimize the Group's Net Cash^{APM} position; and (ii) approximately €47,500 thousand will be maintained as cash in order to finance the future operational expenditures that will be required by the Low Carbon Technologies segment in the context of the energy transition, which are expected to arise throughout 2023, 2024 and 2025. See "Use of Proceeds".

Indirect and Conditional Indebtedness

We have contingent liabilities for of financial guarantees and other guarantees provided in the ordinary course of business. As of February 28, 2023, we had outstanding guarantees and bonds in the aggregate amount of €4,303,638 thousand, which are off-balance sheet items. See. "Risk Factors—Risks associated with guarantees and sureties provided by Group entities in the course of their

business". As of the date of this Prospectus, other than as disclosed in this Prospectus and in the 2022 Audited Consolidated Financial Statements, no significant change in the financial or trading position of the Company has occurred since February 28, 2023.

SELECTED FINANCIAL INFORMATION

The following tables present selected consolidated financial information as of and for each of the years ended December 31, 2022, 2021 and 2020.

The Revenue figure for the year ended December 31, 2021 presented in the 2022 Audited Consolidated Financial Statements, which amounts to €2,806,038 thousand differs from the Revenue figure for the year ended December 31, 2021 presented in the 2021 Audited Consolidated Financial Statements, which amounts to €2,807,593 thousand. The financial information contained in this Prospectus shows the audited Revenue for the year ended December 31, 2021 as presented in the 2021 Audited Consolidated Financial Statements. See “*Operating and Financial Review—Key Factors Affecting the Comparability of the Group’s Financial Condition and Results of Operations—Revenue for the year ended December 31, 2021 – Concession assets income reclassification*”

The selected audited consolidated financial information as of and for each of the years ended December 31, 2022, 2021 and 2020 is derived from, and should be reviewed in conjunction with, the Financial Statements, including the related notes, prepared in accordance with IFRS-EU. The Financial Statements are incorporated by reference into this Prospectus.

The following tables should be read in conjunction with “*Presentation of Financial and Other Information*”, “*Operating and Financial Review*” and the Financial Statements and the related notes thereto incorporated by reference in this Prospectus.

Consolidated Balance Sheet

	As of December 31,		
	2022	2021	2020
	(audited)		
	(in thousands of euros)		
Assets			
Non-current assets			
Property, plant and equipment	9,539	23,854	33,844
Other intangible assets	46,980	48,749	50,866
Right-of-use on leased assets	51,310	40,486	20,905
Investments in associates	1,529	1,639	2,711
Deferred tax assets	409,407	410,858	407,261
Derivative financial instruments.....	1,237	7,202	3,336
Accounts receivable and other financial assets	95,428	75,840	85,628
	615,430	608,628	604,551
Current assets			
Inventories	7,740	8,589	8,894
Trade and other receivables.....	3,174,557	2,568,029	2,355,285
Accounts receivable and other assets	21,493	24,962	6,947
Derivative financial instruments.....	37,460	6,359	28,855
Cash and cash equivalents	959,680	666,879	931,535
	4,200,930	3,274,818	3,331,516
Total assets	4,816,360	3,883,446	3,936,067

EQUITY

Share Capital and Reserves attributable to the Parent's shareholders

Share capital.....	5,590	5,590	5,590
Share premium.....	8,691	8,691	8,691
Treasury shares.....	(72,909)	(73,269)	(73,109)
Legal reserve.....	1,137	1,137	1,137
Capitalisation reserve.....	3,056	3,056	3,056
Hedging reserve.....	(14,186)	(2,622)	5,187
Cumulative translation differences.....	(71,885)	(96,043)	(117,286)
Retained earnings.....	211,280	248,556	439,391
Equity attributable to shareholders of the Parent.....	70,774	95,096	272,657
Non-controlling interests.....	12,240	9,562	10,936
Total equity.....	83,014	104,658	283,593

LIABILITIES

Profit Sharing Loans

175,000 - -

Non-current liabilities

Borrowings.....	600,209	475,533	372,176
Borrowings associated with rights of use of leased assets.....	35,122	28,332	5,704
Derivative financial instruments.....	-	2	—
Deferred tax liabilities.....	62,001	64,412	72,199
Other financial liabilities.....	255	281	653
Employee benefit obligations.....	2,274	2,124	2,140
Provisions for contingencies and charges.....	82,054	70,295	37,227
	956,915	640,979	490,099

Current liabilities

Trade payables.....	3,487,476	2,775,067	2,678,103
Current tax liabilities.....	27,432	14,557	51,509
Borrowings.....	201,922	267,352	363,979
Borrowings associated with rights of use of leased assets.....	17,279	13,089	16,534
Derivative financial instruments.....	22,277	18,868	5,875
Other accounts payable.....	18,763	18,167	16,434
Provisions for contingencies and charges.....	1,282	30,709	29,941
	3,776,431	3,137,809	3,162,375
Total liabilities.....	4,733,346	3,778,788	3,652,474
Total equity and liabilities.....	4,816,360	3,883,446	3,936,067

Consolidated Income Statement Information

	For the year ended December 31,		
	2022	2021	2020
	(audited)		
	(in thousands of euros)		
Revenue	4,233,370	2,807,593 ⁽¹⁾	3,520,589
Changes in inventories	(893)	729	2,518
Procurements	(3,351,765)	(2,124,278)	(2,565,675)
Employee benefit expenses	(480,934)	(475,730)	(561,856)
Depreciation, amortisation and impairment losses	(25,863)	(27,411)	(43,216)
Lease and royalty expenses	(36,428)	(38,273)	(42,112)
Other operating expenses	(343,614)	(318,917)	(289,251)
Other gains or losses	5,718	12,556	10,315
Other operating income	9,150	7,087	10,152
Profit/(loss) from operations	8,741	(156,644)	41,464
Finance income	13,765	2,644	3,147
Finance costs	(34,833)	(24,730)	(24,053)
Results from exposure to hyperinflation	(6,097)	-	-
Share in profit/(loss) of associates	(110)	(1,072)	(675)
Profit/(loss) before tax	(18,534)	(179,802)	19,883
Income tax	(15,950)	(12,331)	(6,901)
Profit/(loss) for the year	(34,484)	(192,133)	12,982
Attributable to:			
Company shareholders	(37,134)	(190,443)	11,049
Non-controlling interests	2,650	(1,690)	1,933
	(34,484)	(192,133)	12,982
(Loss)/Earnings per share for profit/(loss) attributable to the equity holders of the Company (expressed in euros per share):			
Basic and diluted	(0.69)	(3.55)	0.21

(1) The Revenue figure for the year ended December 31, 2021 presented in the 2022 Audited Consolidated Financial Statements, which amounts to €2,806,038 thousand differs from the Revenue figure for the year ended December 31, 2021 presented in the 2021 Audited Consolidated Financial Statements, which amounts to €2,807,593 thousand. The financial information contained in this Prospectus shows the audited Revenue for the year ended December 31, 2021 as presented in the 2021 Audited Consolidated Financial Statements. See "Operating and Financial Review—Key Factors Affecting the Comparability of the Group's Financial Condition and Results of Operations—Revenue for the year ended December 31, 2021 – Concession assets income reclassification"

Consolidated Statement of Cash Flows Information

	For the year ended December 31,		
	2022	2021	2020
	<i>(audited)</i>		
	<i>(in thousands of euros)</i>		
Cash flows from operating activities			
Profit/(loss) for the year	(34,484)	(192,133)	12,982
Adjustments for:			
– Taxes	15,950	12,331	6,901
– Amortisation of intangible assets and rights of use of leased assets	25,863	27,411	43,216
– Net change in provisions	(17,667)	33,836	(10,769)
– Share in profit/(loss) of associates	110	1,072	675
– Changes in fair value of financial instruments	-	-	2,304
– Interest income	(11,492)	(2,644)	(3,455)
– Interest expense	34,833	19,588	17,470
– Results from exposure to hyperinflation	(6,097)	-	-
– Gains on sales of Group companies and associates	(5,718)	(12,556)	(10,315)
– Change in gains/(losses) on derivatives	38,223	13,781	(16,667)
– Exchange differences	(2,273)	5,142	6,583
– Other income and expenses	-	3,748	(1,351)
Changes in working capital:			
– Inventories	(902)	305	(3,615)
– Trade and other receivables	(595,842)	(217,426)	259,953
– Other financial assets	-	-	61,744
– Trade payables	738,356	107,796	(356,191)
– Other accounts payable	(91)	1,362	(4,788)
– Settlements of hedging derivatives and other changes	(74,111)	6,126	(29,189)
Other cash flows from operating activities:			
– Interest paid	(28,266)	(19,949)	(15,591)
– Interest received	11,492	2,644	3,455
– Taxes paid	(16,088)	(57,603)	(79,937)
Net cash flows from operating activities	83,990	(267,169)	(116,585)
Cash flows from investing activities			
Acquisition of property, plant and equipment	(2,653)	(2,379)	(3,934)
Acquisition of intangible assets	(109)	(596)	(113)
Investments in associates	-	-	(3)

	For the year ended December 31,		
	2022	2021	2020
	<i>(audited)</i>		
	<i>(in thousands of euros)</i>		
Proceeds from sales to Group companies and associates	1,535	15,109	27,657
Disposal of non-current assets.....	34	1,894	7,031
Net cash flows (used in)/from investing activities.....	(1,193)	14,028	30,638
Cash flows from financing activities			
Borrowings obtained in the year.....	461,959	717,512	718,300
Repayment of borrowings.....	(232,284)	(710,133)	(560,149)
Lease payments.....	(20,031)	(18,342)	(28,925)
Dividends paid.....	-	-	(94)
Acquisition/disposal of treasury shares (net).....	360	(552)	721
Net cash flows generated from financing activities.....	210,004	(11,515)	129,853
Net change in cash and cash equivalents.....	292,801	(264,656)	43,906
Cash and cash equivalents at beginning of year.....	666,879	931,535	887,629
Cash and cash equivalents at end of year.....	959,680	666,879	931,535

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis should be read together with the Financial Statements, including the accompanying notes, incorporated by reference in this Prospectus, as well as the respective accompanying consolidated directors' reports and auditors' reports, which are all incorporated by reference in this Prospectus. The Financial Statements have been prepared in accordance with IFRS-EU. This discussion and analysis should also be read together with the information contained in the section titled "Business" and "Presentation of Financial and Other Information". Some of the information in the discussion and analysis set forth below and elsewhere in this Prospectus (including the information incorporated by reference in this Prospectus) includes forward-looking statements that involve risks and uncertainties. See "Presentation of Financial and Other Information — Forward-looking statements" and "Risk Factors" for a discussion of important factors that could cause actual results to differ materially from the results described in the forward-looking statements contained in this Prospectus (including the information incorporated by reference in this Prospectus).

Overview

The Group is dedicated to providing all types of value-added engineering and construction services for industrial plants for the refining, petrochemistry and natural gas industries, as well as for projects related to Low Carbon Technologies. The services provided range 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, construction of facilities and other related or linked services (such as technical assistance, construction supervision, site management, project management, commissioning and training). The Group also provides services to offer technical solutions linked to the energy transition, the circular economy and decarbonisation (renewable hydrogen, biofuels, waste recovery, CO₂ sequestration and capture, etc.).

Most of the Group's business is concentrated in large turnkey industrial projects, although the Group also provides engineering, construction management, start-up and operating services for industrial plants.

Traditionally, and in the 2021 Audited Consolidated Financial Statements and 2020 Audited Consolidated Financial Statements, the Group divided its business into three segments: Oil and gas, Power and Other Industries:

- The Oil and Gas segment focused on providing engineering, procurement and construction services relating to oil and chemicals processing and production operations, and activities relating to the entire natural gas production and extraction value chain.
- In the Power segment, the Group performed consulting, engineering, procurement and construction services for a range of electricity generating plants.
- In the Other Industries segment, the Group carried out projects in multiple arenas, such as airports, industrial facilities, desalination and water treatment plants, and projects for public authorities and other bodies, such as car parks and municipal sports centres.

In 2022, the Company's management started to implement, alongside the traditional segmentation, a redesigned segmentation aimed at (a) reflecting the insights on the business activities of the Group in a more appropriate and comparable way to peer companies in the sector; and (b) adapting the reporting format to the enhanced positioning of the Group in energy transition technologies. This new segmentation, which is presented in the 2022 Audited Consolidated Financial Statements, together with comparative information for 2021 and 2020, comprises the following operating segments: (i) Refining, (ii) Natural Gas; (iii) Petrochemistry; (iv) Low Carbon Technologies; and (v) Others. (See "Business — The Group's Business Divisions").

- Refining segment: this segment 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, optimising the use of natural resources.

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

- Natural Gas segment: this segment provides steering, management, engineering, procurement, construction and commissioning services for facilities throughout the entire supply chain, from natural gas production to regasification terminals, as natural gas is a key fuel for advancing towards decarbonisation objectives. In this regard, the Group has designed and executed all types of facilities, from production installations in natural gas fields, to treatment and processing plants, compression stations, liquefaction facilities, storage tanks and final regasification facilities.

- Petrochemistry segment: this segment provides steering, management, engineering, procurement, construction and start-up services for facilities engaged in the production of basic chemical materials used in water distribution, pharmaceuticals, healthcare, food, energy efficiency in buildings and transport systems, among others. There is a trend in the market where clean fuel production plants are being integrated with petrochemistry operations, supplying both markets in an efficient and flexible manner and optimising the consumption of natural resources. The Group may benefit from the synergies arising from this combination.
- Low Carbon Technologies segment: this segment comprises the following lines of activities:
 - (i) *Hydrogen*
Through this line of business, the Group actively participates by offering solutions for the different types of hydrogen (blue or green), helping its customers in the integration of this element in their production processes with storage solutions or mixing it with existing gas networks.
 - (ii) *Carbon Capture and Storage*
The Carbon Capture and Storage (“CCS”) line helps energy intensive industrial companies such as the steel, chemical, cement, and paper industries reduce carbon emissions from their assets. High-intensity industrial installations are complex, with space and operational limitations that make it difficult to install new processes. Faced with these challenges, the Group accelerates the energy transition of its customers towards a zero-emission future by implementing carbon capture technologies in their industrial processes. Once captured, carbon dioxide is either permanently stored or subsequently 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 bio-kerosene), chemicals and the generation of energy and steam.
- Others: this area provides project steering, management, engineering, procurement, construction and commissioning services for facilities related to activities outside of the business lines of the Group. The main activities involve water treatment, port infrastructures and oil production. This segment also includes those projects whose completion was not achieved as a result of client termination through the execution of guarantees. The purpose of this inclusion is to avoid distorting the analysis of the remaining segments.

In addition, the Group classifies its operations by geographical segment as follows: (i) Spain; (ii) Middle East; (iii) America; (iv) Asia; (v) Europe, (vi) Mediterranean. See “*Business—Overview; Operating and Financial Review—Geographic reporting*” and Note 5 to the Group’s Financial Statements.

Current Trading

The Group has not yet closed its books for the three month period ended March 31, 2023. However, based on preliminary analysis, the Group expects to increase its profit margins in the first quarter of 2023 with respect to the fourth quarter of 2022, with sales in the range of €1 billion and EBIT Margin^{APM} above 3%, which are largely in line with its internal estimates for the first quarter of 2023. The Company believes that the estimated first quarter of 2023 trading performance still supports the Sales and Profit Forecast of €4 billion sales and 4% EBIT Margin.

The preliminary estimates presented above have been prepared by, and are the responsibility of, the management of the Company and are based solely on accounting records and preliminary internal information used by the management and on a number of assumptions. The Current Trading has been compiled and prepared on a basis which is both comparable with the historical financial information and consistent with the Group’s accounting policies. This information has not been audited or reviewed, nor have any procedures been performed by our independent auditors with respect thereto. The Group’s actual results may differ from these expectations due to the completion of its financial closing procedures, final adjustments and other developments that may arise between now and the time the financial results for the three month period ended March 31, 2023 are finalised.

Key Factors Affecting the Group’s Results of Operations

The Group’s results of operations and financial condition are affected by a variety of factors, a number of which are outside its control. Set out below is a discussion of the most significant factors that have affected the Group’s results of operations and financial condition during the periods under review and which the Group expects to affect its results of operations and financial condition in the future. Factors other than those set forth below could also have a significant impact on the Group’s results of operations and financial condition

in the future. See “Risk Factors”.

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” and “Analysis of Alternative Performance Measures—Backlog^{APM}”.

On the foregoing basis, the Backlog^{APM} as of the date of this Prospectus amounts to €10,731.85 million and the Backlog^{APM} as of December 31, 2022 amounted to €9,514.85 million (€8,719 million as of December 31, 2021).

Backlog^{APM} projects may be subject to uncertainty, delays, cancellations, difference in the translation of the relevant foreign currency to euros, adjustments for changes in the scope of work to be performed or costs incurred and, as of any date, may not be indicative of actual results of operations for any subsequent period. Backlog^{APM} at any point in time is affected by the timing of entry into new contracts. Additionally, there is no assurance that any pending or future projects will be completed or, if completed, that they will be completed on such same terms. Likewise, contracts for services are occasionally modified by mutual consent of the parties and may be cancelled or extended under certain circumstances or at the discretion of the clients.

As a result, although the Group believes that the estimated Backlog^{APM} at any particular date is the best estimate at that moment of the future revenue of the Company, the assumptions the Group uses to calculate Backlog^{APM} may need to be updated, which in turn could have an effect on the Group's Backlog^{APM} estimates

Effect of turnkey contracts

During the year ended December 31, 2022, a 95.08% of the Group's Backlog^{APM} consisted of projects developed under the LSTK Contract modality. These turnkey projects generally have a long life from inception to completion, averaging between 48 and 60 months, and tend to move through three phases throughout their lives (engineering, procurement and construction). Turnkey projects tend to differ in the amount of revenue or costs they generate during any period depending on the phase(s) they are in during that period. In addition, turnkey projects can be priced in several different ways, for example using a fixed price or margin above cost (cost plus).

The Company recognize revenue on turnkey projects using the POC method. This involves the Group recognizing an increasing proportion of contract revenue based on the percentage of completion. Generally speaking, the revenue recognized is based on prudent estimates of contract revenue, costs incurred and profitability and may not reflect actual revenue or profits for the contract. In addition, although revenue and earnings may be recognized, these do not represent cash received by the Group. Because of the lag between recording of revenue and timing of invoicing, there will be a difference between the Group's revenue and cash flows for any particular reporting period, recognized through the receivables on the balance sheet.

Financial risks

The Group's activities are exposed to a variety of financial risks: price risk, foreign currency risk and risk from cash flows due to interest rates), credit risk and liquidity risk. The Group's global risk management programme focuses on the uncertainty of the financial markets and aims to minimise the potential adverse effects on the Group's financial returns. The Group uses derivative financial instruments to hedge certain risk exposure. Risk management is carried out by the Group's Finance Department, Business Units and Corporate Treasury Department in accordance with policies approved by the Parent's Board of Directors and supervised by the Audit and Control Commission. This Department identifies, assesses and hedges financial risks in close cooperation with the Group's operating units. See Note 3 to the Financial Statements for further details on the referred risks.

Key Factors Affecting the Comparability of the Group's Financial Condition and Results of Operations

As a result of the following events, the financial condition and results of operations as of and for certain of the financial periods presented in this Prospectus may not be directly comparable with the Group's financial condition and results of operations as of and for other

financial periods discussed herein or future financial periods. See also “*Operating and Financial Review—Factors affecting the Group’s results of operations and financial condition*”.

Changes in the reporting segmentation

The Group has traditionally classified its operating segments in: (i) Oil and Gas, (ii) Power, and (iii) Other industries. In 2022 the Company’s management started to implement, alongside the traditional segmentation, a redesigned segmentation aimed at (a) reflecting the insights on the business activities of the Group in a more appropriate and comparable way to peer companies in the sector; and (b) adapting the reporting format to the enhanced positioning of the Group in energy transition technologies. This new segmentation, is included in the 2022 Audited Consolidated Financial Statements, together with corporate information for 2021 and 2020, comprises the following operating segments: (i) Refining, (ii) Natural Gas; (iii) Petrochemistry; (iv) Low Carbon Technologies; and (v) Others. (See “Business”—“*The Group’s Business Divisions*”).

Hyperinflation in Turkey

During 2022, the inflation rate in Turkey increased substantially, resulting in the cumulative inflation of the last three years being above 100%, which is the quantitative benchmark established by IAS 29 'Financial Reporting in Hyperinflationary Economies'. As a result, Turkey is considered as a hyperinflationary economy according to accounting standards from 2022 onwards. Therefore, the Group has applied IAS 29 'Financial Reporting in Hyperinflationary Economies' to its businesses in Turkey, making the necessary accounting adjustments as at January 1, 2022 in accordance with the requirements of the accounting standards.

The effect of applying IAS 29 as at January 1, 2022 led to an increase in consolidated reserves of €29 thousand.

Revenue for the year ended December 31, 2021 – Concession assets income reclassification

In 2022, €1,555 thousand of the 2021 figures were reclassified from 'Ordinary income' to 'Other operating income', corresponding to the concession assets, in order to make them comparable with the 2022 figures. As a result, the Revenue figure for the year ended December 31, 2021 presented in the 2022 Audited Consolidated Financial Statements, which amounts to €2,806,038 thousand differs from the Revenue figure for the year ended December 31, 2021 presented in the 2021 Audited Consolidated Financial Statements amounts, which amounts to €2,807,593 thousand. The financial information contained in this Prospectus shows the audited Revenue for the year ended December 31, 2021 as presented in the 2021 Audited Consolidated Financial Statements.

Changes in the scope of consolidation and business combinations

See Note 2 to each of the Financial Statements for a description of the most significant changes in the scope of consolidation and in the companies included in it during each financial period.

Changes in the year ended December 31, 2022

The changes in the scope of consolidation in 2022 consisted of the sale of the shareholdings of the Company and Técnicas Reunidas Proyectos Internacionales, S.L. in Ibérica del Espacio, S.A. (IberEspacio), the net profits of which amounted to €5,718 thousand and the incorporation of Powertecno Energía Mexicana, S.R.L.C.V., in which the Company holds a 50% stake.

There were no business combinations in 2022.

Changes in the year ended December 31, 2021

The changes in the scope of consolidation in 2021 consisted of the sale of the Company’s in Técnicas Reunidas Australia Pty Ltd, the net profits of which amounted to €12,556 thousand, and the derecognition due to liquidation of Técnicas Reunidas Hellas, S.A.

There were no business combinations in 2021.

Changes in the year ended December 31, 2020

The changes in the scope of consolidation in 2020 consisted of (a) the incorporation of the company Técnicas Reunidas Global for Engineering Consultancy Company Limited, in which the Company holds a 100% interest, and (b) the sale by the Company of its shareholdings in Eurocontrol, S.A., with net profits on the sale amounting to €10,315 thousand and resulting in this company and its subsidiaries (Eurocontrol Internacional Services, S.L. and Euromoodly Internacional Services, S.L.) being removed from the scope of consolidation (see Note 7 to the 2020 Audited Consolidated Financial Statement).

There were no business combinations in 2020.

Conflict in Ukraine

The armed conflict in Ukraine has had a strong impact on the Group's operations for the year ended December 31, 2022 (see "*Risks related to the Group's business and industry in which it operates—Risks associated with the conflict in Ukraine*"). As a result of the restrictions imposed by the EU and other international bodies, the Moscow refinery revamping project with Gazprom, which amounted to €234 million, was cancelled. At the time of cancellation, the services provided by the Group were limited to engineering services under the EPC. The engineering services provided accounted for a progress level of 4.75% out of the total EPC scope and the costs incurred for the development of those services were paid to the Group.

In addition, this conflict is not only affecting the countries involved, but also markets in countries bordering or closely related to Ukraine such as Poland, where the start-up of the projects for the Group's clients PGE Polska Grupa Energetyczna and PKN Orlen is proving difficult due to lack of manpower. Also, this scenario may pose difficulties for these clients in the event they have to respond to cost deviations in the projects developed by the Group. Furthermore, major disruptions have been generated throughout the supply chain of the engineering and construction industry in the energy sector. This has mainly led to an increase in the prices of equipment and materials and to a significant instability in suppliers' offers. The economic valuation of these impacts amounted to €50 million, which were calculated and recorded reducing the final estimated profit of the projects that recognised by POC.

Enforcement of guarantees in Algeria

In August 2013, the Company announced the award of the "Touat Gaz" project for a contract value of \$1 billion to develop the facilities of a hydrocarbon complex in southwest Algeria. The project included engineering, procurement, construction and commissioning of the gas processing facilities, with an estimated gas production capacity of thirteen million cubic metres per day. In September 2019, the customer commenced export of the gas processed by the plant and, in June 2020, the customer issued the Provisional Acceptance Certificate for the plant, publicly expressing a high level of satisfaction. In October 2020, the Company claimed the client compensation for the costs incurred for additional works required by the client during the development of the project, which amounted to €200 million, initiating a negotiation process for that purpose that has extended through 2021 and 2022.

In the middle of these negotiations, and in the context of the geopolitical tensions between Algeria and Spain (see "*Risks related to the Group's business and industry in which it operates—Risks associated with the geopolitical conflict between Spain and Algeria*"), on June 8, 2022, the consortium formed by Neptune Energy and Sonatrach enforced the performance guarantees that the Company issued under the Touat Gaz project in their total amount, equivalent to €80 million and finalised the negotiations related to the additional costs incurred by the Company. The Company's efforts to resume negotiations were unsuccessful and the execution of the performance guarantees materialised. On June 21, 2022, the Company initiated an arbitration proceeding before the International Chamber of Commerce to enforce its rights under the contract and recover the costs incurred in excess and the enforced guarantees. The amounts claimed by the Company in relation to this proceeding are approximately €280 million. See "*Business—Legal Proceedings—Proceedings related with the Group's Activity*".

Covid-19 pandemic

As of the date of this Prospectus, the Covid-19 pandemic continues to affect the Group's operations, although its impact has decreased significantly (see "*Risks related to the Group's business and industry in which it operates—Risk associated with the Covid-19 pandemic*"). The measures taken by China to control the various outbreaks in 2022 have had a noticeable effect on the Group's supply chain, both in terms of logistical constraints and through increased prices for various equipment and raw materials, and the availability of labour.

To mitigate these impacts, the Group, in addition to prioritising health protection for its employees, continued to carry out all activities initiated in 2020, aimed at strengthening the implementation of portfolio projects, consolidating the Efficiency Plan implemented since 2019, increasing new projects and enhancing its liquidity and solvency position. See Business—The Group's Strategy".

Additionally, the Group assessed the main impacts of the Covid-19 pandemic on the Group's operations, liquidity and solvency:

- ***Impact on operations:***

The impact of the Covid-19 pandemic has decreased significantly in 2022, with operating results and cash generation moving back to pre-Covid-19 positive levels.

All the projects rescheduled in 2020 and 2021, except for the Hassi Messaoud refinery project in Algeria (see "*Key Factors Affecting the Comparability of the Group's Financial Condition and Results of Operations*"), have been successfully rescheduled and have reached a close to normal rate of execution. The Group does not expect additional rescheduling.

Although Covid-19 pandemic's major impacts have already been absorbed by each Group project under execution, the Group maintains specific controls and monitoring procedures to ensure any further potential impact is accounted for and properly addressed. Geographic diversification, constant communication with the Company's customers and suppliers, and legal and contractual mechanisms to offset the effects of significant changes in contracts help the Company to face the associated risks.

The cumulative net effect of the impact of the Covid-19 pandemic recorded as of December 31, 2022 amounted to a loss of €248 million. Of the aforementioned cumulative net effect, €148 million relates to non-recoverable costs from the Group's clients and €100 million is linked to the termination of the Teesside project in 2021 as explained in the paragraph below.

The intensity with which the Covid-19 pandemic has impacted the Group's results has varied in the years during which the effects of the pandemic have been experienced. In the year ended December 31, 2020, the costs directly associated to the effect of the Covid-19 pandemic amounted to €207.7 million, out of which €149.9 million were expected to be recovered from the clients and €57.7 million were non-recoverable costs. In the year ended December 31, 2021, when the impact of the Covid-19 pandemic was particularly significant, the costs directly associated to the Covid-19 pandemic amounted to €460.9 million, out of which €248.3 million were expected to be recovered from the clients and €112.6 million were considered as non-recoverable costs. Furthermore, the Group was impacted by the termination by the client in April 2021 of the Teesside project as a consequence of the Covid-19 pandemic, which resulted in a loss of €100 million. The impact of the Covid-19 pandemic in the year ended December 31, 2022 was limited and consisted of non-recoverable costs in an amount of €18 million mainly related to the safety measures maintained by the Group. Additionally, as of December 31, 2022, the Group had costs expected to be recovered from the clients in an amount of, approximately, €40.5 million. Consequently, out of the total amount of costs recorded in 2020, 2021 and 2022, the net amount of non-recoverable costs recorded by the Group amounted to €248 million, as stated in the paragraph above.

- *Impact on liquidity:*

In 2020, the Group Net Cash^{APM} was reduced by €174.5 million as a result of delays in payment by certain customers and the rescheduling of certain projects.

In 2021, the Group Net Cash^{APM} was reduced by € 271.5 million as a result of the termination of the Teesside project by the client as well as the delays in the settlement of other trade receivables and the rescheduling of certain projects.

In 2022, the Group Net Cash^{APM} increased by €233.5 million as a result of the Profit Sharing Loan of the SEPI Financial Support, which was received in February 24, 2022 and which amounted to €175 million and by the improvement in the client claims and monetisation management.

The Group constantly monitors its liquidity needs and ensures that it has the funds necessary to cover its operating requirements, taking into account the following:

- (i) Recovery of activity and financial flows during 2022 and, specially, during 2023.
- (ii) Progress on projects in accordance with the schedules agreed with customers.
- (iii) Gradual recovery of new projects awarded and their impact on cash.
- (iv) Progress on the Efficiency Plan to improve efficiency and cash flows.
- (v) Conclusion of the various arbitration proceedings and litigation in progress as envisaged.
- (vi) Cash conversion of our work performed but not yet billed according to a standard scenario, and of exchange orders and claims.
- (vii) Compliance with the conditions established in the financing obtained through the SEPI Fund for €340 million in February 2022.

Furthermore, to strengthen its liquidity position, the Group has extended the maturity of its ICO-Covid-19 lines in accordance with Royal Decree Law 34/20 of 17 November, which allows it to preserve its liquidity and, with a view to strengthening its solvency and liquidity, requested €340 million from the SEPI Fund managed by the SEPI, the disbursement of which took place on February 24, 2022. This aid takes the form of a participative loan amounting to €175 million and an ordinary loan amounting to €165 million. (See "*Operating and Financial Review—SEPI Financial Support*"). Additionally, the Group implemented measures for managing working capital in order to mitigate the impact of the slowdown in payment for work performed but not yet billed, which consisted mainly in renegotiating orders and contracts with suppliers and subcontractors to coordinate payments under the applicable construction and supply agreements.

- Impact on solvency:

The losses incurred in the periods between 2020 and 2021, which were especially affected by the Covid-19 pandemic, resulted in a contraction of the Company's equity in an amount of €186 million as of December 31, 2022 (€179 million as of December 31, 2021). To address that situation, on February 18, 2022, the Spanish Council of Ministers (*Consejo de Ministros*) approved, the SEPI Financial Support for the Company, which has helped to offset the impact that Covid-19 had on the Group during 2020 and 2021 and strengthened the working capital position of the Group. See "*Operating and Financial Review—Borrowings—SEPI Financial Support*".

- Impacts on the valuation of assets and liabilities on the consolidated balance sheet

Except as indicated in relation to the projects affected by the restrictions imposed on the development of activity in Russia, there have been no cancellations of EPC projects included in the Backlog^{APM}, nor significant increases in default risks due to deterioration in the financial position of customers or in the assessment of the expected loss due to the quality and solvency of the customer portfolio. The Group has also assessed the recoverability of assets relating to work performed but not yet billed and those corresponding to exchange orders and claims, as well as the recoverability of deferred tax assets based on the estimate of the performance of operations in the medium and long term, concluding positively on their recoverability. In any case, in this complex environment, and also taking into account the deterioration of the situation in Algeria, the Group set aside a provision for risks and charges amounting to €81 million as of December 31, 2022.

Termination of the MGT Teesside contract

In the second quarter of 2016 a contract was awarded to a joint venture formed by the Company and Samsung C&T for the design and construction of a 299-MW biomass cogeneration plant by MGT Teesside (a special purpose company formed by Macquarie Group and the PKA Pension Fund). In May 2021, MGT Teesside elected to terminate the EPC contract awarded to the joint venture, resulting in the joint venture filing for arbitration proceedings. This termination caused an impact of €100 million in the Group's result in 2021 and relates mainly to the amount of Performance Bonds called in, as well as the regularisation of outstanding change orders and claims.

The joint venture's position is that the termination of the contract by MGT Teesside was an unlawful termination and seeks to recover its losses and damages sustained because of the wrongful termination, including the recovery of the amounts received by MGT under the Performance Bonds. (See "*Business—Legal Proceedings*").

Critical accounting policies

The preparation of the Financial Statements requires the Group to make certain estimates, judgments and assumptions under IFRS-EU that the Group believes are reasonable based upon the information available. These estimates, judgments and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods presented. Furthermore, changes to IFRS-EU or interpretations thereof may cause the Group's future reported results of operations and financial position to differ significantly from its historical results or from current expectations regarding its future results. Furthermore, changes to IFRS-EU or interpretations thereof may cause its historical results to differ from those previously reported due to the adoption of accounting standards on a retrospective basis. See Note 2 to the Group's Financial Statements.

The main critical accounting policies identified by the Group are detailed below:

Income tax and deferred tax assets

The Group is subject to income tax in several jurisdictions. A significant degree of judgement is required to determine the provision for income tax at a global level. There are several transactions and calculations for which the final determination of the tax is uncertain. The Group recognises liabilities for potential tax claims based on the estimate of whether or not additional taxes will be necessary. If the final amount of taxes differs from what was initially recorded, any such differences will affect the income tax and the provisions for deferred taxes for the year in which said determination was made.

In this regard, the income tax expense amounted to €15,950 thousand in 2022 (12,331 thousand as of 2021), see Note 26 of the 2022 and 2021 Audited Consolidated Financial Statements and Note 27 of the 2020 Audited Consolidated Financial Statements for further information.

Property, plant and equipment and intangible assets

The Group follows the historical cost model, whereby the items of property, plant and equipment are recognised at their initial cost less any accumulated depreciation and accumulated impairment losses, except in the case of land, which is not depreciated and is presented net of impairment losses.

The initial historical cost includes the expenses directly attributable to the acquisition of the items of property, plant and equipment. Subsequent costs are capitalised only when it is probable that the future economic benefits associated with the items will flow to the Group and the cost of the item can be determined reliably. As a general rule, all repairs and maintenance expenses are recognised in the consolidated income statement in the year in which they are incurred.

The depreciation of the assets is calculated using the straight-line method based on their estimated useful lives and the residual value of the assets. The residual values and useful lives of the assets are reviewed, and adjusted if necessary, at the end of each reporting period. If an asset's carrying amount is greater than its estimated recoverable amount, its value is immediately reduced to its recoverable amount.

Gains and losses on the sale of property, plant and equipment are determined by comparing the income obtained with the carrying amount and are recognised under 'Other operating expenses' or 'Other operating income' in the consolidated income statement. The work carried out by the Group on its assets is stated at production cost and recognised as revenue in the consolidated income statement. See

Intangible assets include computer software, concessions and research and development expenditure. See Note 2.8 of the 2022 and 2021 Audited Consolidated Financial Statements and Note 2.7 of the 2020 Audited Consolidated Financial Statements.

Accounts receivable

The Group makes estimates relating to the collectability of trade receivables for projects affected by ongoing disputes or litigation in progress as a result of not accepting the work carried out or failure to comply with contractual clauses related to the performance of the assets delivered to clients. In addition and in compliance with IFRS 9, the Group estimates impairment based on expected loss.

Provisions

Provisions are recognised when it is probable that a present obligation, resulting from past events, will require an outflow of resources and when the amount of the obligation may be reliably estimated. Significant estimates are required to fulfil the applicable accounting requirements. The Group's management makes estimates, evaluating all relevant information and events, the probability of a contingency occurring and the amount of the liability to be settled in the future.

Revenue recognition

The Group uses the percentage-of-completion method to recognise revenue. The percentage of completion is determined based on a financial assessment of the tasks effectively carried out as of the balance sheet date as a percentage of the total estimated costs for each contract. This revenue recognition method is applied only when the outcome of the contract can be reliably estimated and it is likely that the contract will generate profits. If the outcome of the contract cannot be reliably estimated, revenue is recognised to the extent that costs are recovered. When it is likely that the costs of the contract will exceed contract revenue, the loss is immediately recognised as an expense. When applying the percentage-of-completion method, the Group analyses various factors that may give rise to changes in the estimated costs of the projects with regard to that plant and, based on this analysis, makes significant estimates relating to the total costs necessary to perform the contract. These estimates are reviewed and assessed regularly in order to verify whether or not a loss has been generated and whether it is possible to continue applying the percentage-of-completion method or whether it is necessary to re-estimate the expected margin on the project. In the case of claims by the Group on clients or variations in the scope of projects, these are included as contract revenue when the Group considers an inflow of resources to be highly probable.

Fair value of unlisted financial instruments

The fair value of those financial instruments that are not traded on an active market (e.g. OTC derivatives) is determined using valuation techniques. The Group exercises judgement in selecting a range of methods and making assumptions that are based mainly on prevailing market conditions at the reporting date. The Group used the discounted cash flow analysis for various exchange rate and commodity contracts that are not traded on an active market.

Warranty claims

The contracts with clients establish a warranty period of 12 to 24 months. The warranty period does not entail a separate service, but is related to the proper functioning of the plant. These are industry-specific warranties and include standard terms in accordance with the legal requirements of each country where the Group operates. Management estimates the relevant provision for future warranty claims based on past information regarding such claims, as well as recent trends that may suggest that past information regarding costs may differ from future claims. The Group also had similar warranties with its main subcontractors.

Impairment of concession assets

The estimated recoverable amount of the concessions operated by the Group was determined by evaluating the different external and internal circumstances that could give rise to indications of impairment, such as the market value of the asset, offers received for the assets, changes in business plans, changes in management or in the environment (legal, fiscal, economic, etc.), interest rate fluctuations, obsolescence or physical impairment.

In applying the accounting policies, different judgments have not been applied to the estimates detailed above.

Description of Key Income Statement Items

The following is a brief description of the key income statement items of the Financial Statements.

Revenue

Revenue includes the fair value of the considerations received or to be received for the sale of goods and services in the ordinary course of the Group's business activities. Revenue is presented net of value added tax, and after having excluded sales within the Group. The Group recognises revenue when the amount thereof can be reliably measured, when it is highly likely that the future economic benefits will flow to the Group and when the specific criteria for each of the activities are met, as detailed below. The amount of revenue cannot be reliably determined until all contingencies related to the sale have been resolved. The Group bases its estimates on past results, taking into account the type of client, type of transaction and specific terms of each agreement. See "*Critical accounting policies—Revenue recognition*"

In relation to inventories, which includes the cost of parking spaces owned by certain Group companies and available for sale, the Group recognises sales and profit or loss when ownership is transferred to the buyer.

Procurements

Procurements consists of the amount of materials and the costs of construction subcontracts, such as metal structures, civil engineering, equipment assembly, etc., and engineering services.

Employee benefit expenses

Employee benefit expenses consists of wages (including severance payments), salaries, social security expense, long term employee remuneration obligations and other staff costs.

Lease and royalty expenses

Lease and royalty expenses consists of the operational expenses associated to the rental expenses.

Other operating expenses

Other operating expenses consists of services (expenses related to work performed), independent professional services, repairs and upkeep, banking and similar services, transport costs, insurance premiums, utilities and supplies and other expenses (mainly due to provisions for contingencies and expenses).

Other gains or losses

Other gains or losses includes, in the year ended December 31, 2022 the sale of all shares of Ibérica del Espacio, S.A. (IberEspacio), in 2021 the net proceeds obtained from the sale of all shares of Técnicas Reunidas Australia, Pty Ltd., and in 2020 the net proceeds obtained from the sale of Eurocontrol, S.A, which amounted to €5,718 thousand, €12,556 and €10,315 thousand, respectively

Other operating income

Other operating incomes primarily consists of operating grants and the income obtained from the operation of concessions.

Finance income

Financial income consists of interest income from short-term deposits in banks and others and net earnings/(losses) in the fair value of financial instruments at fair value, with changes posted to profit/(loss) and others.

Finance costs

Financial costs consist of expenses resulting from interest expense on loans with banks, net losses from foreign currency transactions, other finance costs, interests expense associated with the SEPI Financial Support and interest on lease liabilities.

Income tax

Income tax consist of current tax, deferred tax, provision for tax inspections and prior years' adjustments. Taxes are recognized in the income statement, unless the tax relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively. The corporate income tax rate in Spain was 25% during each of the years presented in this Prospectus. Each of the Group's subsidiaries is subject to the corporate income tax of the country in which it is based. As of the date of this Prospectus, the Company is part of the Técnicas Reunidas Group consolidated tax group.

The current tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where its subsidiaries and associates operate and generate taxable profit. Management periodically evaluates the positions taken in tax returns with regard to situations in which applicable tax legislation is subject to interpretation, and, if necessary, establishes provisions based on the amounts expected to be paid to the tax authorities.

For the calculation of the tax base of the tax group and the different individual companies included in the scope of consolidation, the accounting profit/(loss) is adjusted in accordance with the temporary and permanent differences that may exist, giving rise to the corresponding deferred tax assets and liabilities. In general, the deferred tax assets and liabilities arise as a consequence of valuation standardisations between accounting criteria and principles of individual companies and those of the consolidated group, to which those of the parent apply.

Results of Operations

The consolidated results of operations for the years ended December 31, 2022, 2021 and 2020 included below are derived from the Financial Statements.

Year ended December 31, 2022 compared with the year ended December 31, 2021

	For the year ended December 31,		% change
	2022	2021	2022-2021
	(audited)		(unaudited)
	(in thousands of euros)		(in %)
Revenue	4,233,370	2,807,593 ⁽¹⁾	50.86%
Changes in inventories	(893)	729	(222.50)%
Procurements	(3,351,765)	(2,124,278)	57.78%
Employee benefit expenses	(480,934)	(475,730)	1.09%
Depreciation, amortisation and impairment losses	(25,863)	(27,411)	(5.65)%
Lease and royalty expenses.....	(36,428)	(38,273)	(4.82)%
Other operating expenses	(343,614)	(318,917)	7.74%
Other gains or losses	5,718	12,556	(54.46)%
Other operating income	9,150	7,087	29.11%
Profit/loss from operations	8,741	(156,644)	105.58%
Finance income	13,765	2,644	420.61%
Finance costs	(34,833)	(24,730)	40.86%
Results from exposure to hyperinflation	(6,097)	-	-
Share in profit/(loss) of associates	(110)	(1,072)	(89.74)%
Profit/(loss) before tax	(18,534)	(179,802)	(89.69)%

	For the year ended December 31,		% change
	2022	2021	2022-2021
	<i>(audited)</i>		<i>(unaudited)</i>
	<i>(in thousands of euros)</i>		<i>(in %)</i>
Income tax.....	(15,950)	(12,331)	29.35%
Profit/(loss) for the year.....	(34,484)	(192,133)	(82.05)%
Attributable to:			
Company shareholders	(37,134)	(190,443)	(80.50)%
Non-controlling interests.....	2,650	(1,690)	256.80%
	(34,484)	(192,133)	(82.05)%

(1) The Revenue figure for the year ended December 31, 2021 presented in the 2022 Audited Consolidated Financial Statements, which amounts to €2,806,038 thousand differs from the Revenue figure for the year ended December 31, 2021 presented in the 2021 Audited Consolidated Financial Statements, which amounts to €2,807,593 thousand. The financial information contained in this Prospectus shows the audited Revenue for the year ended December 31, 2021 as presented in the 2021 Audited Consolidated Financial Statements. See “*Operating and Financial Review—Key Factors Affecting the Comparability of the Group’s Financial Condition and Results of Operations—Revenue for the year ended December 31, 2021 – Concession assets income reclassification*”

Revenue

Revenue increased by 50.78% to €4,233,370 thousand in the year ended December 31, 2022 from €2,807,593 thousand in the year ended December 31, 2021, primarily due to the recovery of the normal business activities, which in previous years were reduced as a consequence of the impact of Covid-19 pandemic.

Changes in inventories

Changes in inventories decreased by 222.50% to € (893) thousand in the year ended December 31, 2022 from an income of €729 thousand in the year ended December 31, 2021, primarily due to the inclusion of parking spaces owned by certain Group’s companies as assets held for sale.

Procurements

Procurements increased by 57.78% to €(3,351,765) thousand in the year ended December 31, 2022 from €(2,124,278) thousand in the year ended December 31, 2021, primarily due to the recovery of the normal business activities, which in previous years were reduced as a consequence of the impact of Covid-19 pandemic, and which demanded a higher amount of materials, equipment and subcontracts.

Employee benefit expenses

Employee benefit expenses increased by 1.09% to €(480,934) thousand in the year ended December 31, 2022 from €(475,730) thousand in the year ended December 31, 2021, primarily due to the increase in wages and salaries.

Depreciation

Depreciation, amortisation and impairment losses decreased by 5.65% to €(25,863) thousand in the year ended December 31, 2022 from €(27,411) thousand in the year ended December 31, 2021, primarily due to the items derecognised as a result of the transfer of offices in Madrid.

Lease and royalties expenses

Lease and royalty expenses decreased by 4.82% to €(36,428) thousand in the year ended December 31, 2022 from €(38,273) thousand in the year ended December 31, 2021, primarily due to the decrease in the amount leased non-current assets.

Other operating expenses

Other operating expenses increased by 7.74% to €(343,614) thousand in the year ended December 31, 2022 from €(318,917) thousand in the year ended December 31, 2021, primarily due to the recognition of provisions and, in particular, provisions related with the termination of the Touat Gaz contract in Algeria in an amount of €45 million.

Other gains or (losses)

Other gains or losses were a gain of €5,718 thousand in the year ended December 31, 2022 compared to a gain of €12,556 thousand in the year ended December 31, 2021, due to including, in 2022 the net proceeds obtained from the sale of Ibérica del Espacio, which amounted to €5,718 thousand, and in 2021 the net proceeds obtained from the sale of all shares of Técnicas Reunidas Australia, Pty Ltd, which amounted to €12,556 thousand.

Other operating income

Other operating income increased by 29.11% to €9,150 thousand in the year ended December 31, 2022 from €7,087 thousand in the year ended December 31, 2021, primarily due to the increase in profit arising from the operating concessions.

Profit/(loss) from operations

As a result of the foregoing, profit/loss from operations increased to €8,741 thousand in the year ended December 31, 2022 from €(156,644) thousand in the year ended December 31, 2021. This increase has taken place despite the provisions recorded in 2022 in relation to the Touat Gaz project. The 2022 profit from operations is mainly due to the recovery in the pace of project execution after the Covid-19 pandemic and the profitability of the existing Backlog^{APM} as opposed to 2021 where losses were impacted by the slowdown in project execution caused by the impact of Covid-19 Pandemic and the termination of the Teesside project by MGT, which had an impact of €100 million on the consolidated income statement.

Finance income

Finance income increased to €13,765 thousand in the year ended December 31, 2022 from €2,644 thousand in the year ended December 31, 2021, primarily due to the rise in interest rates and the higher earnings arising from that increase, as well as due to the higher cash and cash equivalent position that was invested in money market securities and resulted in finance income compared to 2021.

Finance costs

Finance costs increased by 40.86% to €(34,833) thousand in the year ended December 31, 2022 from €(24,730) thousand in the year ended December 31, 2021, primarily due to the increase in interest rates and the higher costs arising from that increase, as well as due to the higher gross debt position compared to 2021 arising from the SEPI Financial Support drawdown in February 2022 and the MARF Promissory notes issued during 2022.

Result for exposure to hyperinflation

Results for exposure to hyperinflation increased to €(6,097) thousand in the year ended December 31, 2022 from €0 in the year ended December 31, 2021, due to the effect of applying IAS 29 in hyperinflationary economies such as, Argentina, where we had no projects under development in 2021 and also because of Turkey being considered an hyperinflationary economy under IFRS in 2022.

Share in profit/(loss) of associates

Share in profit/(loss) of associates was a loss of €(110) thousand in the year ended December 31, 2022 compared to a loss of €(1,072) thousand in the year ended December 31, 2021, primarily due to reduced loss at Máster S.A. Engineering and Architecture.

Profit/(loss) for the year

As a result of the foregoing, loss for the year decreased by 82.05% to €(34,484) thousand in the year ended December 31, 2022 from €(192,133) thousand in the year ended December 31, 2021. Losses decreased in 2022 as a consequence of less extraordinary effects compared to 2021, and to the Group's Backlog^{APM} starting to show profitability once sales reached pre Covid-19 levels.

Year ended December 31, 2021, compared with the year ended December 31, 2020

The following table sets forth the Group's consolidated results of operations for the years ended December 31, 2021 and 2020.

	For the year ended December 31,		% change
	2021	2020	2021-2020
	<i>(audited)</i>		<i>(unaudited)</i>
	<i>(in thousands of euros)</i>		<i>(in %)</i>
Revenue	2,807,593 ⁽¹⁾	3,520,589	(20.29)%
Changes in inventories	729	2,518	(71.05)%
Procurements	(2,124,278)	(2,565,675)	(17.20)%
Employee benefit expenses	(475,730)	(561,856)	(15.33)%
Depreciation, amortisation and impairment losses	(27,411)	(43,216)	(36.57)%
Lease and royalty expenses	(38,273)	(42,112)	(9.12)%
Other operating expenses	(318,917)	(289,251)	10.26%
Other gains or losses	12,556	10,315	21.73%
Other operating income	7,087	10,152	(30.19)%
Profit/loss from operations	(156,644)	41,464	(477.78)%
Finance income	2,644	3,147	(15.98)%
Finance costs	(24,730)	(24,053)	2.81%
Share in profit/(loss) of associates	(1,072)	(675)	58.81%
Profit/loss before tax	(179,802)	19,883	(1,004.30)%
Income tax	(12,331)	(6,901)	78.68%
Profit/loss for the year	(192,133)	12,982	(1,580)%
Attributable to:			
Company shareholders	(190,443)	11,049	(1,823.62)%
Non-controlling interests	(1,690)	1,933	(187.43)%
	(192,133)	12,982	(1,580)%

(1) The Revenue figure for the year ended December 31, 2021 presented in the 2022 Audited Consolidated Financial Statements, which amounts to €2,806,038 thousand differs from the Revenue figure for the year ended December 31, 2021 presented in the 2021 Audited Consolidated Financial Statements, which amounts to €2,807,593 thousand. The financial information contained in this Prospectus shows the audited Revenue for the year ended December 31, 2021 as presented in the 2021 Audited Consolidated Financial Statements. See "Operating and Financial Review—Key Factors Affecting the Comparability of the Group's Financial Condition and Results of Operations—Revenue for the year ended December 31, 2021 – Concession assets income reclassification"

Revenue

Revenue decreased by 20.25% to €2,807,593 thousand in the year ended December 31, 2021 from €3,520,589 thousand in the year ended December 31, 2020, primarily due to the rescheduling of the execution of 40% of the portfolio from 2022 onwards, the slowdown

of projects in execution, cost overruns incurred in the efficient management of the Covid-19 pandemic for an amount of €112.6 million and the termination of the Teesside project by the client in April 2021 for an amount of €100 million.

Changes in inventories

Changes in inventories decreased by 71.05% to an income of €729 thousand in the year ended December 31, 2021 from an income of €2,518 thousand in the year ended December 31, 2020, primarily due to the rescheduling of the execution of 40% of the portfolio from 2022 onwards and the slowdown of projects in execution.

Employee benefit expenses

Employee benefit expenses decreased by 15.33% to €(475,730) thousand in the year ended December 31, 2021 from €(561,856) thousand in the year ended December 31, 2020, primarily due to the decrease in wages and salaries.

Lease and royalties expenses

Lease and royalty expenses decreased by 9.12% to €(38,273) thousand in the year ended December 31, 2021 from €(42,112) thousand in the year ended December 31, 2020, primarily due to the decrease in the amount of leased non-current assets consisting in lease agreements of less than one year.

Other operating expenses

Other operating expenses increased by 10.26% to €(318,917) thousand in the year ended December 31, 2021 from €(289,251) thousand in the year ended December 31, 2020, primarily due to provisions recognised for a total relating to litigation, arbitration and claims with clients and subcontractors, in particular in relation to the Talara project in Peru.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses decreased by 36.57% to €(27,411) thousand in the year ended December 31, 2021 from €(43,216) thousand in the year ended December 31, 2020, primarily due to the derecognition of plant and machinery and furniture and equipment as a result of the transfer of offices in Madrid.

Other gains or losses

Other gains or losses increased by 21.73% to €12,556 thousand in the year ended December 31, 2021 from €10,315 thousand in the year ended December 31, 2020, due to including in 2021 the net proceeds obtained from the sale of all shares of Técnicas Reunidas Australia, Pty Ltd., and in 2020 the proceeds obtained from the sale of Eurocontrol, S.A., which amounted to €12,556 and €10,315 thousand, respectively.

Other operating income

Other operating income decreased by 30.19% to €7,087 thousand in the year ended December 31, 2021 from €10,152 thousand in the year ended December 31, 2020, primarily due to the reduction of the income obtained from the operation of concessions.

Finance income

Finance income decreased by 15.98% to €2,644 thousand in the year ended December 31, 2021 from €3,147 thousand in the year ended December 31, 2020, primarily due to the decrease in interest income from short-term deposits in banks.

Finance costs

Finance costs increased by 2.81% to €(24,730) thousand in the year ended December 31, 2021 from €(24,053) thousand in the year ended December 31, 2020, primarily due to the increase in the Interest expense on loans with banks.

Profit/(loss) from operations

As a result of the foregoing, profit/loss from operations amounted to a loss of €(156,644) thousand in the year ended December 31, 2021 from a profit of €41,464 thousand in the year ended December 31, 2020. Losses were incurred in 2021 as a consequence of the impact of Covid-19 pandemic on the Group's revenue and because the Group refrained from reducing its headcount proportionally.

Share in profit/(loss) of associates

Share in profit/(loss) of associates increased by 58.81% to €(1,072) thousand in the year ended December 31, 2021, from €(675) thousand in the year ended December 31, 2020, primarily due to the increase of the share loss of Máster S.A. Engineering and Architecture, which amounted to €(2,681) thousand in 2021.

Income tax

Income tax increased by 78.68% to €(12,331) thousand in the year ended December 31, 2021 from €(6,901) thousand in the year ended December 31, 2020, primarily due to the higher tax pressure in the jurisdictions where the Group operated during the year 2021 compared to 2020.

Profit/loss for the year

As a result of the foregoing, profit/loss for the year decreased by 1,580% to €(192,133) thousand in the year ended December 31, 2021 from €12,982 thousand in the year ended December 31, 2020. Losses were incurred in 2021 as a consequence of the impact of Covid-19 pandemic on the Group's revenue and because the Group refrained from reducing its headcount proportionally and, to a lesser extent, because of the increase of the tax pressure in the Group's operating jurisdictions.

Financial condition

Comparison of balances as of December 31, 2022, 2021 and 2020

The following table and subsequent discussion summarize key items in the Group's consolidated balance sheets as of December 31, 2022, 2021 and 2020:

	As of December 31,		
	2022	2021	2020
	(audited)		
	(in thousands of euros)		
Assets			
Non-current assets			
Property, plant and equipment	9,539	23,854	33,844
Other intangible assets.....	46,980	48,749	50,866
Right-of-use on leased assets.....	51,310	40,486	20,905
Investments in associates	1,529	1,639	2,711
Deferred tax assets	409,407	410,858	407,261
Derivative financial instruments.....	1,237	7,202	3,336
Accounts receivable and other financial assets	95,428	75,840	85,628
	615,430	608,628	604,551
Current assets			
Inventories.....	7,740	8,589	8,894
Trade and other receivables.....	3,174,557	2,568,029	2,355,285
Accounts receivable and other assets	21,493	24,962	6,947
Derivative financial instruments.....	37,460	6,359	28,855
Cash and cash equivalents	959,680	666,879	931,535
	4,200,930	3,274,818	3,331,516
Total assets	4,816,360	3,883,446	3,936,067
EQUITY			
Share Capital and Reserves attributable to the Parent's shareholders			
Share capital.....	5,590	5,590	5,590

	As of December 31,		
	2022	2021	2020
	<i>(audited)</i>		
	<i>(in thousands of euros)</i>		
Share premium	8,691	8,691	8,691
Treasury shares	(72,909)	(73,269)	(73,109)
Legal reserve	1,137	1,137	1,137
Capitalisation reserve	3,056	3,056	3,056
Hedging reserve	(14,186)	(2,622)	5,187
Cumulative translation differences	(71,885)	(96,043)	(117,286)
Retained earnings	211,280	248,556	439,391
Equity attributable to shareholders of the Parent	70,774	95,096	272,657
Non-controlling interests	12,240	9,562	10,936
Total equity	83,014	104,658	283,593
LIABILITIES			
Profit Sharing Loans	175,000	-	-
Non-current liabilities			
Borrowings	600,209	475,533	372,176
Borrowings associated with rights of use of leased assets	35,122	28,332	5,704
Derivative financial instruments	-	2	-
Deferred tax liabilities	62,001	64,412	72,199
Other financial liabilities	255	281	653
Employee benefit obligations	2,274	2,124	2,140
Provisions for contingencies and charges	82,054	70,295	37,227
	956,915	640,979	490,099
Current liabilities			
Trade payables	3,487,476	2,775,067	2,678,103
Current tax liabilities	27,432	14,557	51,509
Borrowings	201,922	267,352	363,979
Borrowings associated with rights of use of leased assets	17,279	13,089	16,534
Derivative financial instruments	22,277	18,868	5,875
Other accounts payable	18,763	18,167	16,434
Provisions for contingencies and charges	1,282	30,709	29,941
	3,776,431	3,137,809	3,162,375
Total liabilities	4,733,346	3,778,788	3,652,474
Total equity and liabilities	4,816,360	3,883,446	3,936,067

Property, plant and equipment

Property, plant and equipment decreased by 60.01% from €23,854 thousand in the year ended December 31, 2021 to €9,539 thousand in the year ended December 31, 2022 mainly due to the removal from the scope of consolidation of the assets of the company Ibérica del Espacio, S.A., which was sold in 2022.

Property, plant and equipment decreased by 29.52% from €33,844 thousand in the year ended December 31, 2020 to €23,854 thousand in the year ended December 31, 2021, mainly due to the decreases in plant and machinery and furniture and equipment relating to items derecognised as a result of the transfer of offices in Madrid, most of these items being fully depreciated.

Right of use on leased assets

Rights of use on leased assets increased by 26.74% from €40,486 thousand in the year ended December 31, 2021 to €51,310 thousand in the year ended December 31, 2022 mainly due to the lease extension of the offices of the corporate domicile of the Company, located in the Adequa complex.

Rights of use on leased assets increased by 93.67% from €20,905 thousand in the year ended December 31, 2020 to €40,486 thousand in the year ended December 31, 2021 mainly due to the lease extension of the offices of the corporate domicile of the Company, located in the Adequa complex.

Trade and other receivables.

Trade and other receivables increased by 23.62% from €2,568,029 thousand in the year ended December 31, 2021 to €3,174,557 thousand in the year ended December 31, 2022. This was mainly due to the increase in the trade receivables from €2,460,081 thousand in the year ended December 31, 2021 to €3,052,181 thousand in the year ended December 31, 2022.

Trade and other receivables increased by 9.03% from €2,355,285 thousand in the year ended December 31, 2020 to €2,568,029 thousand in the year ended December 31, 2021. This was mainly due to the increase in the trade receivables from €2,204,767 thousand in the year ended December 31, 2020 to €2,460,081 thousand in the year ended December 31, 2021.

The table below shows the composition of our trade and other receivables as of the dates indicated:

	As of December 31,		
	2022	2021	2020
	(in thousands of euros)		
	(audited)		
Trade receivables	2,963,168 ⁽¹⁾	2,418,675 ⁽¹⁾	2,108,822
Customer retentions	135,884	80,051	126,513
Less: Provision for impairment of accounts receivable	(46,871)	(38,645)	(30,568)
Trade receivables, net	3,052,181	2,460,081	2,204,767
Other accounts receivable	6,620	3,552	5,118
Prepayments	40,627	45,725	60,688
Tax receivables	58,393	50,422	71,832
Other	16,736	8,249	12,880
Total	3,174,557	2,568,029	2,355,285

(1) Trade receivables for financial years ending December 31, 2022 and 2021 include "work completed pending certification" for an amount of €2,590,176 thousand as of December 31, 2022 (€2,081,489 thousand as of December 31, 2021) plus "clients" for an amount of €372,992 thousand as of December 31, 2022 (€337,186 thousand as of December 31, 2021).

The analysis of the age of the trade receivables (excluding work completed pending certification) is as follows:

	As of December 31,		
	2022	2021	2020
	(in millions of euros)		
	(audited)		
Less than 3 months	68,085	20,290	30,717
Between 3 and 6 months	30,271	4,772	18,794
More than 6 months	118,269	101,615	61,506
Total	216,625	126,677	111,017

Cash and cash equivalents

Cash and cash equivalents line item includes cash (cash on hand and demand deposits) and cash equivalents (short-term, highly liquid investments, easily convertible into cash within a maximum period of three months the value of which is subject to an insignificant risk of changes in value). The short-term bank deposits earn interest at market rates.

Cash on hand and at banks increased by 35.22% to €616,859 thousand in the year ended December 31, 2022 from €456,186 thousand in the year ended December 31, 2021. Short-term bank deposits and other cash equivalents increased by 62.71% to €342,821 thousand in the year ended December 31, 2022 from €210,694 thousand in the year ended December 31, 2021. Cash on hand and at banks decreased by 14.01% to €456,185 thousand in the year ended December 31, 2021 from €530,982 thousand in the year ended December 31, 2020. Short-term bank deposits and other cash equivalents decreased by 47.39% to €210,694 thousand in the year ended December 31, 2021 from €400,553 thousand in the year ended December 31, 2020.

Of the total included under cash and cash equivalents as of December 31, 2022, €436,675 thousand (€479,181 thousand as of December 31, 2021 and €682,544 thousand as of December 31, 2020) came from the integration of the joint arrangements and joint ventures of companies included in the scope of consolidation, as detailed in Appendices III and IV of the 2022 Financial Statements. There were no cash or cash equivalents with restricted availability as of December 31, 2022, 2021 and 2020. However, the cash from the joint arrangements with other partners is allocated in full to the project subject to such joint venture or *Uniones Temporales de Empresas*.

Total equity

The Group's total equity decreased by 20.68% from €104,658 thousand in the year ended December 31, 2021 to €83,014 thousand in the year ended December 31, 2022. This was mainly due to the loss of €14,186 thousand in the cumulative result net of tax in the consolidated equity hedging reserve for foreign currency forward contracts in the year ended December 31, 2022 (a loss of €2,622 thousand in the year ended December 31, 2021) and the decrease in the retained earnings from €248,556 thousand in the year ended December 31, 2021 to €211,280 thousand in the year ended December 31, 2022.

The Group's total equity decreased by 63.09% from €283,593 thousand in the year ended December 31, 2020 to €104,658 thousand in the year ended December 31, 2021. This was mainly due to the loss of €2,622 thousand in the cumulative result net of tax in the consolidated equity hedging reserve for foreign currency forward contracts in the year ended December 31, 2021 (a gain of €5,187 thousand in the year ended December 31, 2020) and the decrease in the retained earnings from €439,391 thousand in the year ended December 31, 2020 to €248,556 thousand in the year ended December 31, 2021 as a result of the Covid-19 pandemic.

Trade payables

Trade payables increased by 25.67% from €2,775,067 thousand in the year ended December 31, 2021 to €3,487,476 thousand in the year ended December 31, 2022 mainly due to the increase suppliers invoices pending receipt from €1,247,332 thousand in the year ended December 31, 2021 to €1,948,506 thousand in the year ended December 31, 2022. These amounts correspond to the recognition of costs incurred in accordance with the degree of progress of the projects that have not yet been invoiced by the suppliers.

Trade payables increased by 3.62% from €2,678,103 thousand in the year ended December 31, 2020 to €2,775,067 thousand in the year ended December 31, 2021 mainly due to the increase in the supplier retainings from €238,698 thousand in the year ended December 31, 2020 to €303,133 thousand in the year ended December 31, 2021 and the increase in the prepayments received for contract work from €162,102 thousand in the year ended December 31, 2020 to €206,592 thousand in the year ended December 31, 2021.

Segment information

The segment information included in the Financial Statements is presented in accordance with the disclosure requirements set forth in IFRS 8 “Operating Segments”. This information is structured, firstly, by business segment and, secondly, following a geographic distribution.

Traditionally, and in the 2021 Audited Consolidated Financial Statements and the 2020 Audited Consolidated Financial Statements, the Group has classified its operating segments in: (i) Oil and Gas, (ii) Power, and (iii) Other industries. Nevertheless, in 2022 the Company’s management started to implement, alongside the traditional segmentation, a redesigned segmentation aimed at (a) reflecting the insights on the business activities of the Group in a more appropriate and comparable way to peer companies in the sector; and (b) adapting the reporting format to the enhanced positioning of the Group in energy transition technologies. This new segmentation, which is presented in the 2022 Audited Consolidated Financial Statements, together with comparative information for 2021 and 2020, comprises the following operating segments: (i) Refining, (ii) Natural Gas; (iii) Petrochemistry; (iv) Low Carbon Technologies; and (v) Others. (See “*Operating and Financial Review—Overview and Business— The Group’s Business Divisions*”).

The overhead costs relating to the corporate headquarters and functional departments that do not earn revenue or that may earn revenue that is only incidental to the activities of the Group and that, in any case, cannot be allocated to any operating segment or be included as part of an operating segment, as indicated 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 Group overheads. In addition, the Group manages financing activities and the effect of income tax. Consequently, finance income and costs and income tax, as well as borrowings and tax payables, have not been allocated by segment. Additionally, non-current assets are not allocated, nor is the relevant depreciation or impairment, as they are not considered to be significant.

No sales were made between the various operating segments in the years presented in this Prospectus.

Business segment reporting

The following tables sets forth the Group’s consolidated results for the years ended December 31, 2022, 2021, and 2020 under the New Segmentation as disclosed in the 2022 Audited Financial Statements. See “*Business—The Group’s Business Divisions*”.

	Refining			Natural Gas			Petrochemistry			Low Carbon Technologies			Others			Unallocated			Group		
For the year ended December, 31																					
(in thousands of euros)																					
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
	(audited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)
Tracking results																					
Revenue	1,425,936	1,228,460	1,649,627	1,632,121	1,037,212	1,317,361	842,556	283,732	46,493	5,716	481	-	327,041	256,154	507,109	-	-	-	4,233,370	2,807,593	3,520,589
Profit/(loss) from operations	73,476	(3,761)	245,988	55,487	31,091	84,913	89,547	26,708	(8,807)	(1,114)	(747)	-	(115,998)	(107,245)	(173,878)	(92,656)	(102,689)	(106,753)	8,741	(156,644)	41,464
Net financial profit (loss)																(27,166)	(22,086)	(20,906)	(27,166)	(22,086)	(20,906)
Earnings from sales and share in profit/(loss) of associates																(110)	(1,072)	(675)	(110)	(1,072)	(675)
Profit/(loss) before tax																			(18,534)	(179,802)	(19,883)
Income tax																(15,950)	(12,331)	(6,901)	(15,950)	(12,331)	(6,901)
Profit/(loss) for the year																			(34,484)	(192,133)	12,982

	Refining			Natural Gas			Petrochemistry			Low Carbon Technologies			Others			Unallocated			Group		
For the year ended December, 31																					
(in thousands of euros)																					
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
	(audited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)
Assets and liabilities by segment																					
Assets	1,889,902	2,028,346	2,197,116	1,569,310	941,836	1,027,782	567,478	236,256	80,036	2,480	80	258	183,814	156,362	134,610	606,756	519,090	493,716	4,819,739	3,881,969	3,933,518
Associates	(1,182)	3,563	3,563	-	-	-	-	-	-	-	-	-	(2,197)	(2,087)	(1,015)	-	-	-	(3,379)	1,476	2,548
Total assets	1,888,720	2,031,909	2,200,680	1,569,310	941,836	1,027,782	567,478	236,256	80,036	2,480	80	258	181,617	154,275	133,595	606,756	519,090	493,716	4,816,360	3,883,446	3,936,067
Total liabilities	1,726,886	1,654,866	1,775,185	1,325,698	883,499	983,561	427,139	203,020	7,794	884	55	-	49,456	20,340	65,266	1,203,283	1,017,007	820,669	4,733,346	3,778,787	3,652,475
Investments in non-current assets	1,207	696	1,485	228	77	13	110	76	-	-	-	-	28	219	1,043	1,188	1,908	1,505	2,762	2,975	4,046
Other segment information																					
Depreciation of property, plant and equipment																-	(7,677)	(10,919)	-	(7,677)	(10,919)
Amortisation of intangible assets																-	(1,939)	(2,306)	-	(1,939)	(2,306)
Impairment of trade receivables																-	(8,077)	(1,791)	-	(8,077)	(1,791)

Business segment reporting analysis

In the year ended December 31, 2022, approximately 72.3% of the Group's revenue came from the Refining and Natural Gas segments. The Petrochemistry, Low Carbon Technologies and Others segments accounted for 19.9%, 0.1% and 7.7% of the Group's revenue, respectively.

Refining

Revenue from the Refining segment in the year ended December 31, 2022 increased by 16.07% to €1,425,936 thousand from €1,228,460 thousand in the year ended December 31, 2021. The increase was mainly due to the progress in the development of the projects of the Group, especially CRISP Exxon, Duqm Refinery and Bapco projects.

Natural Gas

Revenue from the Natural Gas segment in the year ended December 31, 2022 increased by 57.35% to €1,632,121 thousand from €1,037,212 thousand in the year ended December 31, 2021. The increase was mainly due to the progress in the development of the projects of the Group, especially Marjan, Haradh and QATARGAS projects.

Petrochemistry

Revenue from the Petrochemistry segment in the year ended December 31, 2022 increased to €842,556 thousand from €283,732 thousand in the year ended December 31, 2021. The increase was mainly due to the progress in the development of the projects of the Group, especially EPC Orlen and New Pta Complex projects.

Low Carbon Technologies

Revenue from the Low Carbon Technologies segment in the year ended December 31, 2022 increased to €5,716 thousand from €481 thousand in the year ended December 31, 2021. The operating result of the Low Carbon Technologies segment in the year ended December 31, 2022 amounted to a loss of €1,114 thousand (a loss of €747 thousand in the year ended December 31, 2021). In 2022 the Group created Track, a new business unit with the purpose of enhancing the capabilities of the Low Carbon Technologies segment. As a newly created segment, until the level of revenue derived from the services provided under the segment becomes stable, and the costs associated to the start-up phase are covered, it will not reach profitability. See "Business—The Group's strategy for the energy transition and industrial decarbonisation"

Others

Revenue from the Others segment in the year ended December 31, 2022 increased by 27.67% to €327,041 thousand from €256,154 thousand in the year ended December 31, 2021. The increase was mainly due to the progress in the development of the projects of the Group, especially Bu Hasa project.

Geographic reporting

Revenue from external clients is allocated based on the country in which the client is located. The breakdown is as follows:

	For the year ended December 31,		
	2022	2021	2020
	(in thousands of euros)		
	(audited)		
Spain.....	71,331	39,267 ⁽¹⁾	85,490
Middle East	2,354,156	2,120,406	2,681,084
America.....	538,287	285,535	283,557
Asia	360,054	224,983	388,586
Europe	482,918	(124,451)	15,249

Mediterranean.....	426,624	260,298	66,623
Total	4,233,370	2,807,593⁽¹⁾	3,520,589

(1) The Revenue figure for the year ended December 31, 2021 presented in the 2022 Audited Consolidated Financial Statements, which amounts to €2,806,038 thousand differs from the Revenue figure for the year ended December 31, 2021 presented in the 2021 Audited Consolidated Financial Statements, which amounts to €2,807,593 thousand. The financial information contained in this Prospectus shows the audited Revenue for the year ended December 31, 2021 as presented in the 2021 Audited Consolidated Financial Statements. See “*Operating and Financial Review—Key Factors Affecting the Comparability of the Group’s Financial Condition and Results of Operations—Revenue for the year ended December 31, 2021 – Concession assets income reclassification*”

Revenue from the Middle East relates mainly to operations in Saudi Arabia, Abu Dhabi, Kuwait, Bahrain, and Oman; in America, revenue comes primarily from operations in Peru, Mexico, Colombia and Chile; in Asia revenue is generated from operations in Malaysia, Thailand and Singapore; in Europe the operations were focused primarily in Poland and Belgium; and in the Mediterranean operations (other than European countries) were focused basically on Algeria and Turkey, as well as other countries where the contribution to revenue was not material.

The increase in revenue in America in 2022 compared to 2021 mainly corresponds to the progress in the development of the projects located in Mexico.

Europe

The increase in revenue in Europe in 2022 compared to 2021 mainly corresponds to the robust progress in the development of the projects of the Group located in Poland and Belgium.

Mediterranean

The increase in revenue in the Mediterranean in 2022 compared to 2021 mainly corresponds to the progress in the development of the projects located in Turkey, especially the New Pta Complex project.

Europe

The reduction in revenue in Europe in 2021 compared to 2020 corresponds to the termination of the contract of the Teesside project in United Kingdom by the client and the enforcement of the warranties issued by the Group under the contract in an amount of €100 million, as well as the regularisation of outstanding change orders and claims. The Group has initiated legal action in accordance with the mechanism set out in the EPC contract. See “*Business—Legal Proceedings*”.

The revenue generated by the Group’s top five clients accounted for 61.92% of total revenue in 2022 (67% as of December 31, 2021). Revenue generation by clients that individually accounted for over 10% of total consolidated revenue in 2022 amounted to €1,742 million (€2,047 million as of December 31, 2021). The Group’s top five clients were located in Turkey, Peru, the United States Saudi Arabia and Argentina.

All assets and liabilities are allocated by region based on their physical location. The detail of the assets and investments in non-current assets is as follows:

	Assets			Investments in property		
	As of December 31,			For the year ended December 31,		
	2022	2021	2020	2022	2021	2020
	(Audited)					
Spain.....	575,031	362,290	369,437	28	218	1,059
Middle East	2,463,416	2,467,278	2,538,666	242	571	1,442
America	666,793	255,071	275,601	234	88	22

	Assets			Investments in property		
	As of December 31,			For the year ended December 31,		
	2022	2021	2020	2022	2021	2020
	(Audited)					
Asia	187,295	152,790	223,186	893	101	18
Europe	398,266	220,088	164,206	-	3	-
Mediterranean.....	357,508	218,699	181,262	177	86	-
Total	4,648,309	3,676,216	3,752,358	1,574	1,067	2,541
Associates	(3,379)	1,476	2,548	-	-	-
Unallocated.....	171,430	205,754	181,160	1,188	1,908	1,505
	4,816,360	3,883,446	3,936,067	2,762	2,975	4,046

The reconciliation of the assets and liabilities of the reportable segments to total assets and liabilities is provided as follows:

	As of December 31,				As of December 31,		
	2022	2021	2020		2022	2021	2020
	(audited)				(audited)		
Segment assets	4,209,604	3,364,356	3,443,570	Segment liabilities	3,530,064	2,757,599	2,751,421
Unallocated:				Unallocated:			
Non-current assets .	384,407	377,243	359,101	Non-current liabilities	822,268	512,697	398,921
Current assets	222,349	141,847	133,396	Current liabilities	381,014	508,491	502,132
Total assets	4,816,360	3,883,446	3,936,067	Total liabilities	4,733,346	3,778,787	3,652,474

Liquidity and Capital Resources

The Group uses liquidity to fund its operations including working capital needs, capital expenditures and financing commitments. The Group's working capital requirements are mainly guided by the level of trade and other receivables, other financial assets, trade payables and other accounts payables. The Group has partial ownership interests in several joint-venture legal entities where it has joint control. As a result, among other things, the Group may be unable to control the amount of cash it receives or retains from the operation of these entities, which could negatively affect its working capital position.

The Group's liquidity requirements are mainly financed by internally generated cash flows (including dividends arising from concessions and joint-venture entities) as well as corporate borrowings. The Group from time to time uses non-recourse factoring for certain of its receivables, which allows to collect on invoices with a discount. The Group from time to time also uses confirming lines, which allow certain of its suppliers to obtain expedited payment of the Group's invoiced trade payables from a bank or financial institution that the Group subsequently repays at the time such payables are due under their terms.

As of December 31, 2022, the Group had €3,776,431 thousand of current liabilities. As of December 31, 2022, the Group's available liquidity financial resources amounted to €729,481 thousand (including cash and cash equivalents of €523,005 thousand, the available limit of the STPN Programme of €140,700 thousand, the available limit of the MARF Bond Programme of €50,200 thousand and undrawn syndicated credit lines and the ICO bilateral revolving credit facilities, excluding trapped cash in joint-venture entities).

The Group believes that its existing liquidity and cash flow will be sufficient to meet its requirements and commitments for the foreseeable future. However, if the Group's cash flow from operating activities are lower than expected or its capital expenditure requirements exceed its projections, the Group may be required to seek additional financing, which may not be available on commercially reasonable terms, if at all. The Group's ability to arrange financing generally and its cost of capital depends on numerous factors, including general economic conditions, the availability of credit from banks, other financial institutions, and capital markets, restrictions in instruments governing the Group's debt, and its general financial performance.

Cash flow analysis

The Group uses its sources of liquidity primarily to fund its operations including working capital needs, capital expenditures and financing commitments and monitors the Group's projected liquidity reserve on the basis of expected cash flows. As of the date of this Prospectus, the Company's management believes that the Group has liquidity and access to medium and long-term financing that allows it to ensure the necessary resources to meet its commitments.

Net cash flows from/(used in) operating activities

Net cash flows from operating activities were €83,990 thousand in the year ended December 31, 2022 compared to €(267,169) thousand used in the year ended December 31, 2021, primarily due to the increase in trade payables from €107,796 thousand in 2021 to €738,356 thousand in 2022 and the increase in trade and other receivables from €(217,426) thousand in 2021 to €(595,842) thousand in 2022 as well as an improvement in profit in 2022.

Net cash flows used in operating activities increased to €(267,169) thousand in the year ended December 31, 2021 from €(116,585) thousand used in the year ended December 31, 2020, primarily due to the change in trade payables from €(356,191) thousand in 2020 to €107,796 thousand in 2021 and the change in trade and other receivables from €259,953 thousand in 2020 to €(217,426) thousand in 2021.

Net cash flows from/(used in) investing activities

Net cash flows used in investing activities were €(1,193) thousand in the year ended December 31, 2022 compared to €14,028 thousand of net cash flows from investing activities in the year ended December 31, 2021, primarily due to the decrease in the proceeds from sales to Group companies and associates from €15,109 thousand in 2021 to €1,535 thousand in 2022 and to the decrease in the disposal of non-current assets from €1,894 thousand in 2021 to €34 thousand in 2022.

Net cash flows from investing activities were €14,028 thousand in the year ended December 31, 2021 compared to €30,638 thousand in the year ended December 31, 2020, primarily due to the decrease in the proceeds from sales to Group companies and associates from €27,657 thousand in 2020 to €15,109 thousand in 2021 and to the decrease in the disposal of non-current assets from €7,031 thousand in 2020 to €1,894 thousand in 2021.

Net cash flows generated from/(used in) financing activities

Net cash flows generated from financing activities were €210,004 thousand in the year ended December 31, 2022 compared to €(11,515) thousand used in the year ended December 31, 2021, primarily due to the reduction of repayments of borrowings from €710,133 thousand to €232,284 thousand.

Net cash flows used in financing activities were €(11,515) thousand in the year ended December 31, 2021 compared to €129,853 thousand from financing activities in the year ended December 31, 2020, primarily due to the increase in the repayment of borrowings from €560,149 thousand in 2020 to €710,133 thousand in 2021.

Borrowings

The following table sets forth all of the Group's borrowings, as of the dates indicated below.

	As of December 31,		
	2022	2021	2020
	(in thousands of euros)		
	(audited)		
Profit Sharing Loan	175,000	-	-
Non-current borrowing	600,209	475,533	372,176
Current borrowing	201,922	267,352	363,979
Total borrowings.....	977,131	742,885	736,155

During the year ended December 31, 2022, the Group increased its total borrowings by €234,246 thousand to €977,131 thousand (including the Profit Sharing Loan in an amount of €175,000 thousand). During the year ended December 31, 2021, the Group increased its total borrowings by €6,730 thousand to €742,885 thousand (for additional information, see "Borrowing by type—Loans and credit facilities").

As of December 31, 2022, 2021 and 2020, of the total borrowings, €462,120 thousand €348,755 thousand and €296,826 thousand, respectively, was at a fixed rate, as detailed below:

	As of December 31,					
	2022		2021		2020	
	(in thousands of euros)					
	(audited)		(audited)		(audited)	
Item	Amount	Rate	Amount	Rate	Amount	Rate
MARF promissory notes	34,300	3.1%-4.5%	84,200	0.52-2%	67,800	0.6%-0.65%
Fixed-rate SSD loans.....	-	-	8,000	1.45%	8,000	1.45%
Fixed-rate loans ⁽¹⁾	73,496	1.29%-5%	52,844	1.29%-2.14%	45,257	1.85%
Syndicated ICO loan.....	83,524	2.45%	97,911	2.45%	40,224	2.45%
SEPI Financial Support Ordinary Loan	165,000	2%	-	-	-	-
MARF bonds.....	49,800	2.75%	49,800	2.75%	29,800	2.75%
Bond Private placement	56,000	3.25%	56,000	3.25%	56,000	3.25%
Total	462,120	n/a	348,755	n/a	296,826	n/a

(1) Fixed-rate loans in an amount of €73,496 thousand include the Private Promissory Notes in an amount of €8,000 thousand, the fixed rate amount of the Bilateral Loan Agreements in an amount of €509 thousand, the fixed rate amount of the ICO Loans in an amount of €40,151 thousand and the fixed rate amount of the Bilateral Revolving Credit Facilities ICO in an amount of €24,836 thousand.

As of December 31, 2022, 2021 and 2020, of the total borrowings, €515,011 thousand, €394,130 thousand and €439,329 thousand, respectively, was at a variable rate, as detailed below:

Item	As of December 31,					
	2022		2021		2020	
	<i>(in thousands of euros)</i>					
	(unaudited)		(unaudited)		(unaudited)	
Amount	Rate	Amount	Rate	Amount	Rate	
Profit Sharing Loan	175,000	2.5%-4.5%	-	-	-	-
ICO Loans	22,426	2%-2.45%	24,631	2%-2.45%	25,000	1.85%-2%
Bilateral Revolving Credit Facilities ICO	14,587	0,85%-2.14%	-	-	-	-
Certificate of Indebtedness	40,000	2.25%	54,000	1.45%	54,000	1.45%
Bilateral Loan Agreements	17,537	0.97%-2%	39,566	0.93%-3%	-	-
Syndicated loan	-	-	-	-	66,327	1.40%
Syndicated ICO loan	122,766	2.44%	143,912	2.44%	60,932	2.40%
Syndicated CESCE Financing Agreement	100,595	1.56%	87,021	1.56%	52,241	1.56%
Mortgage Loan Agreement	11,656	-	-	-	-	-
CESCE Bridge Financing	-	-	45,000	1.15	66,000	1.15%
CDTI and Others	10,444	-	-	-	117,958	1.25%-2.20%
Total	515,011	n/a	394,130	n/a	439,329	n/a

The Average Variable Interest Rates^{APM} applicable to the borrowings at a variable rate were as follows in each of the periods below indicated:

	As of December 31,					
	(unaudited)					
	2022		2021		2020	
	€	USD	€	USD	€	USD
Floating rates	2.19%	-	1.97%	-	1.66%	1.5%/2.25%

The carrying amount of current and non-current borrowings approximates their fair value, as the impact of discounting is not significant. Most of the borrowings are tied to variable interest rates, mainly the Euribor, and reviewed on a monthly basis.

Borrowings by currency

The carrying amount of the Group's borrowings is denominated in the following currencies as of the dates indicated:

	As of December 31,		
	2022	2021	2020
	(audited)		
	<i>(in thousands of euros)</i>		
Euros	977,131	742,885	690,931
U.S. dollars and other currencies	-	-	45,224
Total	977,131⁽¹⁾	742,885	736,155

(1) Including the Profit Sharing Loan in an amount of €175,000 thousand.

Borrowings by maturity

The table below shows an analysis of the Group's borrowings with an indication of its outstanding amount as of December 31, 2022 and its maturity date.

	Amount (€ thousand)	Maturity Date
As of December 31, 2022		
(audited)		
SEPI Financial Support		
– Profit Sharing Loan	175,000	December 2026
– Ordinary Loan	165,000	December 2026
Syndicated CESCE Financing Agreement	100,595	December 2024
Syndicated ICO Loan	206,290	April 2026
Bilateral Loan Agreements	18,046	Between June 2023 and July 2024
Bilateral Revolving Credit Facilities ICO	39,423	Between April 2023 and October 2026
ICO Loans	62,577	Between September 2023 and October 2026
Certificate of Indebtedness	40,000	February 2024
Mortgage Loan Agreements	11,656	October 2027 and April 2029
MARF Promissory Notes	34,300	Between January and May 2023
Private Promissory Notes	8,000	November 2023
MARF bonds	49,800	December 2024
Bond Private placement	56,000	December 2027
CDTI and Others	10,444	Between 2024 and 2032
Total	977,131	N/A

The table below shows an analysis of the Group's borrowings, grouped by maturities, in accordance with the remaining periods at the consolidated balance sheet date until the contractual maturity date. The amounts shown in the table correspond to the

balances resulting from applying the amortised cost method (carrying amounts), which basically coincide with the undiscounted expected cash flows. The balances payable within 12 months are equivalent to their carrying amounts, given that the discount effect is not significant.

As of December 31, 2022				
(audited)				
	Within one year	From 1 to 2 years	From 3 to 5 years	More than 5 years
	(in thousands of euros)			
Borrowings ⁽¹⁾	201,922	410,005	189,458	746
Profit Sharing Loan	-	-	175,000	-

Borrowings by type

Loans and credit facilities

In addition to the internal cash flow generated, the Group finances its activity with debt that it obtains from banks and financial institutions. In particular, as of the date of this Prospectus, the Group has in place the following loans and credit facilities:

- SEPI Financial Support

In February 18, 2022, the Spanish Council of Ministers (*Consejo de Ministros*) approved the Company's request for temporary public support in the form of funding for a total amount of €340 million euros from the Fund. This aid, which was formalised on February 22, 2022, has taken the form of (i) a profit sharing loan amounting to €175 million (the "**Profit Sharing Loan**"), and (ii) an ordinary loan amounting to €165 million (the "**Ordinary Loan**") and together with the Profit Sharing Loan, the "**SEPI Financial Support**") and has been guaranteed by the Company's subsidiary Initec Plantas Industriales, S.A.U. (for the purposes of this section, the "**Guarantor**" and, together with the Company, the "**Beneficiaries**").

The purpose of the SEPI Financial Support is to restore the economic viability of the Beneficiaries, particularly in relation to their working capital needs, which include, among others, payroll, social security and tax payments, ordinary operating expenses and any other general liquidity and financing needs. For this purposes, the Company provided the SEPI with a viability plan establishing a number of obligations and initiatives aimed at achieving the different milestones required to restore the aforementioned viability of the Beneficiaries (the "**Viability Plan**").

The Viability Plan extends through the years 2022 to 2026 which, in turn, cover the repayment schedule of the SEPI Financial Support. The strategic lines of the Viability Plan are focused, among others, on developing the Group's strategic plan, which is founded on the following items:

- (i) Geographic repositioning: the Group will redefine its geographic positioning with a view to enter in less mature and new high profitable markets such as North America, Africa and Asia, while renouncing to low return or high risk geographical areas.
- (ii) Products adapted to a sequential energy transition: the Group will continue focusing on developing the activities related to the energy transition, providing services in the businesses of Refining, Natural Gas, Petrochemistry, Carbon Capture and Green Hydrogen. The activity of the Group in relation to those areas shall be intended to support the generation of renewable energies.
- (iii) Construction risk segregation: the Group will implement different measures aimed at reducing construction risk. This measures include the maximization of contractual structures to mitigate the construction risk, the increased involvement of the construction contractor in the consortium developing the project, increased quality and qualification standards for contractors, who will preferably be experienced in the target markets, and the implementation of internal authorisation procedures for those bid submissions falling within the contracts under which the Group assumes the construction risk on its own.

- (iv) Driving measures of additional profitability: the Group will put in place different measures to increase profitability. These measures will consist of the following:
- maximization of service contracts, which entail higher profit and lower risk;
 - accelerated transition from FEED contract structures to EPC contract structures in order to better identify the risks affecting the different projects;
 - standardization of the engineering and design processes as a source of cost optimization;
 - setting an optimal size for the Group that allows it to diversify adequately, manage risk and meet the margin targets; and
 - sale of non-strategic business lines, which as of the date of this Prospectus is already concluded after the sale of Técnicas Reunidas Australia Pty Ltd and Ibérica del Espacio, S.A. See “*Business—Divestments*”
- (v) Developing the Technological Hub in Madrid: the Group will develop the Madrid Technology Hub to increase the Group’s know-how and serve as a driver for exports. For that purposes, the Group will invest in acquiring and enhancing green technologies, developing its research centres and capturing talent from essentially Spanish resources. Additionally, the Group will introduce Spanish suppliers into the Group’s authorised clients’ lists and prioritize them under competitive conditions.

The Viability Plan also contain certain commitments which include maintaining an employment structure equivalent to that in place at the time the SEPI Financial Support was granted or carrying out investments related to internal sustainability, digital transformation and the development of the Group’s energy transition.

Both the Profit Sharing Loan and the Ordinary Loan have a term of four years and six months and will mature on 2026 (the “**Maturity Date**”). The Profit Sharing Loan shall be repaid in a single payment in the Maturity Date and the Ordinary Loan shall be repaid in the amounts and dates shown in the table below:

<u>Amount</u>	<u>Date</u>
-	One year from February 22, 2022
€ 33,000 thousand	Two years from February 22, 2022
€49,500 thousand	Three years from February 22, 2022
€49,500 thousand	Four years from February 22, 2022
€33,000 thousand	Maturity Date

Notwithstanding the above, SEPI Financial Support may be voluntarily repaid early, in whole or in part, at the option of the Company, provided that such voluntary early repayments are made on an interest payment date, giving an advanced notice of at least 10 business days, and that such payments are for a minimum amount of €1 million and for multiples of more than €1 million.

The SEPI Financial Support bears the following interest rates:

- The Profit Sharing Loan bears an interest composed of (i) an annual interest rate increasing on a yearly basis from IBOR plus 2.5% for the first period to IBOR plus 4.5% for the period prior to Maturity Date, and (ii) an additional annual 1% to add up in case the profit before tax for the year ended on the basis of the consolidated financial statements is positive. In case the Profit Sharing Loan is extended past the Maturity Date and up to its maximum term (*i.e.*, 8 years) the interest rate set forth in (i) above could be increased up to 9.5%.
- The Ordinary Loan bears a fixed interest rate of 2% per annum.

The SEPI Financial Support includes, among others, the following early total mandatory repayment events:

- Change in the legal circumstances of the Fund: if the performance of any of the obligations under the SEPI Financial

Support or the interpretation or application by any judicial or administrative authority of the applicable regulations, implies for the SEPI Fund the infringement of any legal or regulatory provision and there is no possibility to eliminate or mitigate that situation.

- Change of control: in the event any person or group of persons (in this case acting concertedly) other than those currently exercising control acquires, by reason of one or more transactions, control of the Company (control being understood in the terms of Article 42 of the Commercial Code).
- Legal proceedings: in the event of an administrative, judicial or extrajudicial notarial proceeding resulting in seizure or enforcement or in a final judgment or conviction against the Company or any of the guarantors which, individually or cumulatively for all of them, exceeds €100 million. This provision shall not be applicable to any seizure, enforcement, final judgment or conviction arising from certain proceedings envisaged in the terms and conditions of the SEPI Financial Support. These proceedings include those disclosed in section “*Business — Legal Proceedings*” of this Prospectus, – except for the proceeding labelled “*GTG Consortium (formed by Sonatrach and Neptune Energy) vs. the Company*” (which has been duly notified to the SEPI), and other proceedings not disclosed in the aforementioned section either because they have already concluded or because they are not material.
- Cross-default: in the event of non-performance of payment obligations with third parties in an amount which exceeds €100 million.
- Non-compliance with the obligations and covenants set forth under the terms and conditions of the SEPI Financial Support.

Furthermore, the SEPI Financial Support includes the following early partial mandatory repayment events:

- Asset disposal: the Company shall repay any amounts drawn under the SEPI Financial Support with the net consideration received by the Beneficiaries as a result of any sale of any fixed assets, whether material or immaterial, including activity branches and shares if these disposals are in excess of €15 million per annum, subject to certain exceptions (including reinvestment of proceeds in assets of a similar nature). For clarification purposes, should the above limit be exceeded, the entire amount received shall be devoted to early partial mandatory repayment.
- Insurance claims: the Company shall repay any amounts drawn under the SEPI Financial Support with any net proceeds obtained by the Beneficiaries in respect of any claim under any insurance (except for third-party, and loss of profit liability insurances) that exceed, individually or in a consolidated basis, €20 million subject to certain exceptions.
- Cash sweep: under the SEPI Financial Support agreement, the cash sweep calculation will commence in December 31, 2023. Pursuant to the cash sweep provision, the Company shall repay any amounts drawn under the SEPI Financial Support with 50% of its excess cash flow provided that the Group maintains a minimum available cash of €200 million (this minimum available cash does not take into account cash in joint ventures and UTEs). Cash sweep is calculated on the basis of excess cash flow, which in turn is calculated according to a formula that factors in, on a positive basis the Group’s EBITDA multiplied by a correction ratio and the interest income and, on a negative basis, capex, interest expenses, debt repayments and taxes. Based on this formula and the Group’s own estimations, the Group has concluded that the cash sweep early repayment event will not be applicable during the terms of the SEPI Financial Support.

As stated above, the Company’s obligations under this facility are secured by the Guarantor through a first-demand personal guarantee.

The SEPI Financial Support is also subject to certain customary covenants, which include disclosure obligations regarding financial information, insolvency, litigations, or defaults of which the following should be highlighted:

- (i) The Company shall disclose, among others, financial information, insolvency proceedings, litigations or defaults.
- (ii) The Company shall fulfil the obligations and initiatives set forth in the Viability Plan, the environmental transition plan aimed at developing services for the Group’s clients in relation to the energy transition (See “*Business—Decarbonisation and energy transition*”).

- (iii) The Company shall not incur in additional debt other than the permitted debt.
- (iv) The Company shall not carry out cash outflows to shareholders, whether in the form of dividends, management fees, interest payments, debt repayments, intra-group loans or cash pooling until the repayment of the SEPI Financial Support.
- (v) The Company shall not adopt any decision involving a change of its registered office or tax domicile, or the transfer outside Spain of its main centres of business.
- (vi) The Company shall not approve investment transactions in fixed assets or in ecological transition not envisaged in the Viability Plan, which, individually or jointly, exceed €30 million.
- (vii) Subject to certain exceptions, the Company shall not acquire treasury shares, whether to hold them as treasury shares, to redeem them or for any other purpose, except for acquisition under the current share liquidity contract.
- (viii) The Company shall maintain direct ownership over the different companies of the Group and refrain from carrying out any structural modification.
- (ix) Until a 75% of the SEPI Financial Support is redeemed, the Company shall apply some limitations to the remuneration of the members of the Board of Directors, suspend delivery of shares or stock options and shall not acquire a stake higher than 10% in the share capital of companies operating in the same sector unless it is authorised by the European Commission (the “**Governance Conditions**”).
- (x) The Company shall carry out the execution of the share capital increase under the Offering envisaged in the Viability Plan before June 30, 2023. The capital increase required amount initially envisaged in the Viability Plan was €150 million. Nevertheless, the final amount is subject to (i) the capitalisation of the Company at the moment of the capital increase, to the extent that it will affect the percentage of capital to be increased and the Company's ability to do so under its internal corporate rules; and (ii) the market conditions.

Under the terms of the SEPI Financial Support, the triggering of an event of default, such as non-performance of payment obligations, misrepresentations, and non-compliance with material obligations, including the commitments of the Viability Plan, may cause that the amounts drawn under the SEPI Financial Support become immediately due and payable or, alternatively, a raise from 75% to 100% of the threshold in connection to the Governance Conditions. As of the date of this Prospectus, all covenants under the SEPI Financial Support are complied with. In this regard, in 2022, the Company received a waiver in relation to the covenant consisting in the execution of the share capital increase referred to in paragraph (x) above, which was initially envisaged under the Viability Plan to be completed before the end of financial year 2022, extending the deadline until June 30, 2023. Additionally, the SEPI quarterly commission monitoring the compliance by the Company with the covenants under the SEPI Financial Support, formally accepted that the Company was unable to comply with EBIT^{APM} targets in 2022, mainly due to the impact of the enforcement of the performance guarantees in Algeria (See “*Operating and Financial Review—Key Factors Affecting the Comparability of the Group’s Financial Condition and Results of Operations—Enforcement of guarantees in Algeria*”).

Capitalization Right:

In the event that the Company fails to make the required payments in the relevant payment, repayment or maturity dates, the Management Board of the SEPI will have the option (but never the obligation) to convert all or part of the Profit Sharing Loan into share capital of the Company.

The decision of the Management Board shall require the authorisation of the Council of Ministers in any case if it results in the Company acquiring the status of a state-owned company, and the authorisation of the European Commission if the operation qualifies for notification to this institution.

The Profit Sharing Loan will be converted into capital at a price per share resulting from the average of the Company' share price during the 15 business days prior to the conversion, with a discount of 5%. If the Profit Sharing Loan is converted into equity, the Company will have the right, from the moment of such conversion, to voluntarily repurchase the shares converted by SEPI. If two years after the conversion into equity the SEPI Fund continues to hold shares resulting from the conversion

of the Profit Sharing Loan, the price of such shares, if the Company voluntarily decides to repurchase them, will be increased by 10%.

In addition, if it is deemed necessary to avoid falling into grounds for dissolution derived from losses, the Company, at its sole discretion, may opt to convert all or part of the Ordinary Loan into Profit Sharing Loan. In such case, the provisions referred to in the paragraph above in relation to SEPI's right of capitalization shall apply to the part of the Ordinary Loan converted into Profit Sharing Loan.

As of December 31, 2022 the total amount of the SEPI Financial Support has been fully drawn.

- Syndicated agreements:

- (a) *Syndicated CESCE Financing Agreement*

In June 2020, the Company entered into a syndicated financing agreement (the “**Syndicated CESCE Financing Agreement**”), as amended in July 2020, for a total principal amount of €127.3 million with a pool of lenders including BBVA, S.A., Banco Santander, S.A., Bankinter, S.A., Liberbank, S.A., Novo Bank, S.A., Sucursal en España (for the purposes of this section, the “**Financing Entities**”) and guaranteed by certain subsidiaries of the Company (for the purposes of this section, the “**Guarantors**”) and, together with the Company, the “**Beneficiaries**”). The financing has been granted with Compañía Española de Seguros de Crédito a la Exportación, S.A. (“**CESCE**”) support, acting on behalf of the Spanish State, through the issue of a credit insurance policy for working capital to the satisfaction of the Financing Entities (the “**CESCE Policy**”).

The funds under the Syndicated CESCE Financing Agreement will be allocated exclusively to finance the liquidity needs for the implementation of certain projects under development by the Company.

The Syndicated CESCE Financing Agreement is structured as follows:

- Tranche A: consists of a syndicated loan for a total amount of €43.4 million and will be drawn through three instalments upon verification of certain customary conditions precedent.
- Tranche B: consists of a revolving credit facility for a total amount of €83.9 million and will have a drawdown period ending 30 days prior to the Syndicated CESCE Financing Agreement's maturity date. Tranche B instalments are subject to certain conditions and are required, except for the first instalment, to be for a minimum amount of €8 million or higher integer multiples of €1 million.

Both Tranche A and Tranche B will mature in December 2024.

Notwithstanding the above, the Syndicated CESCE Financing Agreement may be voluntarily repaid at the option of the Company, without penalty, provided that such voluntary early repayments are made on an interest payment date, giving an advanced notice of at least 10 business days, and that such payments are for a minimum amount of €5 million or higher integer multiples of €250 thousand.

The annual interest rate of the Syndicated CESCE Financing Agreement is calculated on the basis of a 360 days period EURIBOR plus a 1.56% margin for tranche A, and the Euribor 30 days or 90 days plus 1.56% margin for tranche B, depending on the utilization tenor. Also, a 2% increase on the interest rate payable shall be applicable to accrued and unpaid amounts under the Syndicated CESCE Financing Agreement.

The Syndicated CESCE Financing Agreement includes, among others, the following early repayment events:

- **Asset disposal:** the Company shall repay any amounts drawn under the Syndicated CESCE Financing Agreement with the net consideration received by the Beneficiaries as a result of any sale of any fixed assets, whether material or immaterial, including activity branches and shares, subject to certain exceptions and thresholds provisions.
- **Insurance claims:** the Company shall repay any amounts drawn under the Syndicated CESCE Financing Agreement with any net proceeds obtained by the Beneficiaries in respect of any claim under any insurance (except for third-party, and loss of profit liability insurances) that exceed, individually or in a consolidated basis, €20 million subject to certain exceptions.

- Bond issuance: in the event that the Company carries out any issuance of debt in the capital markets that (a) have principal repayment dates prior to the final maturity date of the Syndicated CESCE Financing Agreement and (b) exceed an aggregate maximum amount of €1,000 million, the Company shall early repay the amount exceeding the aforementioned €1,000 million.
- Change in the circumstances of CESCE: if the performance of any of the obligations under the Syndicated CESCE Financing Agreement implies for CESCE the infringement of any legal or regulatory provision or CESCE rescinds, repudiates, suspends, discontinues, cancels, terminates, extinguishes, reduces or lapses all or part of the CESCE Policy or otherwise there is evidence of such acts, the Company shall repay any amounts drawn under the Syndicated CESCE Financing Agreement.

The Syndicated CESCE Financing Agreement includes, among others, the following early maturity events:

- Change of control: in the event any person or group of persons (in this case acting concertedly) other than those currently exercising control acquires, by reason of one or more transactions, control of the Company (control being understood in the terms of Article 42 of the Commercial Code).
- Commercial payments default: in the event of default on due and payable payment obligations of a commercial (non-financial) nature to third parties for an amount that, jointly applied to the Company's Group, exceeds €75 million.
- Legal proceedings: in the event an administrative, judicial or extrajudicial notarial proceeding involving seizure or enforcement or a final judgment or conviction is initiated against the Company or any of the guarantors which, individually or cumulatively for all of them, exceeds €75 million.

The Syndicated CESCE Financing Agreement is also subject to certain customary covenants, which include disclosure obligations regarding financial information, insolvency, litigations, or defaults of which the following should be highlighted:

- (i) The Company shall maintain a financial ratio of net financial debt to EBITDA (calculated based on the consolidated annual financial statements of the Group) below or equal to 2.5x. Compliance with this covenant will be tested on a semi-annual basis.
- (ii) The Company shall not exercise any total or partial early redemption right to which it or any of its subsidiaries may be entitled under any financing agreement different from the Syndicated CESCE Financing Agreement.
- (iii) The Company shall not assign, sell, lease or in any other way dispose, or allow any other company of the Group to dispose, of assets for an individual or accumulated amount that exceeds €15 million.
- (iv) Company's profit distribution for the years 2021 to 2024 will be limited and only be approved if compliant with following conditions: permitted distributions of up to (a) 30% of the consolidated net profit for the financial years ended December 31, 2021 and December 31, 2022; (b) 40% of the consolidated net profit for the financial year ended December 31, 2023; and (c) 50% of the consolidated net profit for the financial year ended December 31, 2024.

As of the date of this prospectus, the Group complies with all the relevant covenants applicable under the Syndicated CESCE Financing Agreement.

As of the date of this Prospectus, the total amount outstanding under the Syndicated CESCE Financing Agreement amounts to €100,595 thousand.

(b) Syndicated ICO Loan

In June 2020, the Company signed a financing agreement, as amended in May 2021, for a total amount of €244.2 million with a pool of banks including BBVA, S.A., Banco Santander, S.A., Kutxabank, S.A., Société Générale, Sucursal en España and Banco de Sabadell, S.A. (for the purposes of this section, the "**Financing Entities**") and guaranteed by certain subsidiaries of the Company (for the purposes of this section, the "**Guarantors**" and, together with the Company, the "**Beneficiaries**"). The financing was granted on the basis of the Company's status as a beneficiary of the line of guarantees provided by the Spanish Official Credit Institute (the "**ICO**") (the "**Syndicated ICO Loan**").

The funding obtained under the Syndicated ICO Loan will be applied exclusively to finance the Company's liquidity and financing needs stemming from Covid-19 pandemic. In particular, the funds will be used to repay the principal amounts due under two financings existing at the date of the Syndicated ICO Loan.

The Syndicated ICO Loan is structured as follows:

- Fixed interest rate tranche: consists of a syndicated loan for a total principal amount of €98.9 million. This tranche is divided into three subtranches, A1, B1 and C1 for a total amount each of €1.9 million, €38.3 million and €58.7 million, respectively.
- Variable interest rate tranche: consists of a syndicated loan for a total amount of €145.3 million. This tranche is divided into three subtranches, A2, B2 and C2 for a total amount each of €13.9 million, €47 million and €84.4 million, respectively.

Subtranches draws will be carried out through single instalments to be made effective prior to certain dates. On each drawdown date, the sub-tranches drawn down on the same date will be consolidated into an aggregate principal amount that will eventually become a single principal amount for the Syndicated ICO Loan.

Maturity for both Tranche A and Tranche B was extended from December 2024 to April 2026.

Notwithstanding the above, the Syndicated ICO Loan may be voluntarily repaid at the option of the Company, without penalty, provided that such voluntary early repayments are made on an interest payment date, giving an advanced notice of at least 10 business days, provided that the Company has reimbursed to the financing entities the costs of the partial cancellation of the guarantee provided by the ICO and that such payments are for a minimum amount of €5 million or higher integer multiples of €250 thousand.

The syndicated ICO Loan bears the following interest rates:

- Fixed interest rate tranche: will bear an annual fixed interest rate of 2.455%
- Variable interest rate tranche: the annual interest rate is calculated on the basis of a 360 days period EURIBOR plus a 2.435% margin.

In relation to both tranches, a 2% increase on the interest rate payable shall be applicable to accrued and unpaid amounts under the Syndicated ICO Loan.

The Syndicated ICO Loan includes, among others, the following early repayment events:

- Asset disposal: the Company shall repay any amounts drawn under the Syndicated ICO Loan with the net consideration received by the Beneficiaries as a result of any sale of any fixed assets, whether material or immaterial, including activity branches and shares, subject to certain exceptions and thresholds provisions.
- Insurance claims: the Company shall repay any amounts drawn under the Syndicated ICO Loan with any net proceeds obtained by the Beneficiaries in respect of any claim under any insurance (except for third-party, and loss of profit liability insurances) that exceed, individually or in a consolidated basis, €20 million subject to certain exceptions.
- Bond issuance: in the event that the Company carries out any issuance of debt in the capital markets that (a) have principal repayment dates prior to the final maturity date of the Syndicated ICO Loan and (b) exceeds an aggregate maximum amount of €1000 million, the Company shall early repay the amount exceeding the aforementioned €1000 million.

The Syndicated ICO Loan includes the same covenants and the same early maturity events as the Syndicated CESCE Financing Agreement (see section a) above). As of the date of this prospectus, the Group complies with all the relevant covenants applicable under the Syndicated ICO Loan.

As of the date of this Prospectus, the total amount outstanding under the Syndicated ICO Loan amounts to €206,290 thousand.

- Bilateral Revolving Credit Facilities ICO

The Group is a party to the following revolving credit facilities, each of which falls under the agreement signed between ICO and the relevant financial entity by virtue of which it is given access to the guarantee lines of the Spanish State for companies in order to mitigate the economic effects of Covid-19:

- a) In April 2020, the Company signed a €15 million credit facility with Caixabank, S.A., as amended, which has final maturity in April 2025. The contract establishes that a change of control of the Company taking place as per the definition provided for in article 42 of the Spanish Commercial Code shall constitute an event of default.
- b) In April 2020, the Company signed a €5 million credit facility with Banco de Sabadell, S.A., guaranteed by ICO, which has final maturity in April 2023. The agreement provides for early termination in the event that, at any time during the term of the agreement, the shareholder composition of the Company changes in such a way that the current shareholders lose control of the management bodies of the Company or of its management and policies.
- c) In April 2020, the Company signed a €15 million credit facility with CajaMar Caja Rural Sociedad Cooperativa de Credito, guaranteed by ICO, which has final maturity in April 2024. The agreement provides for early termination in the event of transfer of shares in a percentage which enables the acquirer to exercise a significant influence in the company, or to hold voting rights equal to or greater than 37%, as well as the transfer of assets, liabilities or share capital, merger, corporate transformation, spin-off and in general any variation in shareholder control.
- d) In September 2020, the Company signed a €10 million credit facility with Bakinter, S.A., as amended, guaranteed by ICO, which has final maturity in September 2026
- e) In October 2020, the Company signed a €10 million credit facility with Ibercaja Banco, S.A., which has final maturity in October 2026.

- ICO Loans

The Group is a party to the following loans, each of which falls under the agreement signed between ICO and the relevant financial entity by virtue of which it is given access to the guarantee lines of the Spanish State for companies in order to mitigate the economic effects of Covid-19.

- a) In April 2020, the Company signed a €5.3 million loan with Abanca Corporación Bancaria, S.A., as amended, which has final maturity in April 2026.
- b) In April 2020, the Company signed a €15 million loan with Bankinter, S.A., as amended, which has final maturity in April 2025. The agreement provides for early termination in the event of reduction of the share capital of the Company by a significant percentage, as well as the change in the current shareholding structure of the Company, provided that the current majority shareholder no longer holds, directly or indirectly, effective control over the Company.
- c) In April 2020, the Company signed a €10 million loan agreement with Société Générale, Sucursal en España, as amended, which has final maturity in April 2024. The contract establishes that a change of control of the Company taking place as per the definition provided for in article 42 of the Spanish Commercial Code shall constitute an event of default.
- d) In September 2020, the Company signed a €2 million loan with Bankinter, S.A., as amended, which has final maturity in September 2026. The agreement provides for early termination in the event of reduction of the share capital of the Company by a significant percentage, as well as the change in the current shareholding structure of the Company, provided that the current majority shareholder no longer holds, directly or indirectly, effective control over the Company
- e) In September 2020, the Company signed a €3 million loan agreement with Banco Pichincha España, S.A., as amended, which has final maturity in September 2023.
- f) In September 2020, the Company signed a €10 million loan agreement with Banco Pichincha España, S.A., as amended, which has final maturity in September 2026.

- g) In October 2020, the Company signed a €10 million loan with Ibercaja, S.A., as amended, which has final maturity in October 2026.
- h) In April 2021, the Company signed a €10 million and a €5 million loan with Liberbank, S.A., both of which have final maturity in April 2026. The agreement provides for early termination in the event of a change or modification of the borrower's shareholding structure, unless prior written authorisation has been obtained from the bank.

The table below shows the total amount drawn under the ICO lines as of December 31, 2022.

	As of December 31, 2022			
	(unaudited)			
	(in millions of euros)			
	Limit	Drawn amount	Available	Maturity
Syndicated ICO Loan	206	206	0	April 2026
Bilateral Revolving Credit Facilities ICO	55	39	16	Between April 2023 and October 2026
ICO Loans ⁽¹⁾	62.58	62.58	0	Between September 2023 and October 2026

- Bilateral Loan Agreements

The Group is a party to the following bilateral loan agreements:

- a) In May 2021, the Company signed a €10 million loan agreement with Abanca Corporación Bancaria, S.A. which has final maturity in June 2024. As of the December 31, 2022, the total amount outstanding under the loan was €7,537.28 thousand.
- b) In May 2020, the Company signed a €10 million loan agreement with Aresbank, S.A., as amended on 2021 which has final maturity in July 2023. The loan agreement provides for an event of early termination consisting of any significant alteration in the composition of the share capital of the Company that may lead to an effective change in the control of the Company. As of the December 31, 2022, the total amount outstanding under the loan is €10,000 thousand.
- c) In June 2020, the Company signed a €3 million loan agreement with Banco Caminos, S.A., which has final maturity in June 2023. As of the December 31, 2022, the total amount outstanding under the loan was €509.41 thousand.

- Certificate of Indebtedness

In February 2022, the Company entered into a certificate of indebtedness with Société Générale, S.A. Frankfurt Branch, for the granting of a floating rate loan for an amount of €40 million which has final maturity in February 2024. The contract set forth certain covenants including the obligation for the Group to maintain a Net Financial Indebtedness/EBITDA Ratio equal to or lower than 3x. In addition, the certificate establishes that a change of control of the Company taking place as per the definition provided for in article 42 of the Spanish Commercial Code shall constitute an event of default. As of the date of this Prospectus, the credit facility has been fully drawn.

- Mortgage Loans Agreements

The Group is a party to certain mortgage loans agreements, all of which are related to the construction of the sports complex, car park and public spaces at the La Viña Shopping Centre in San Sebastián de los Reyes (Spain). In particular, in October and August 2007 the Group signed a €23 million and a €7.5 million mortgage loan agreements with Caixabank, S.A., both as amended, which have final maturity in April 2029 and October 2027, respectively. The loans were received to fund the above mentioned complex and were guaranteed with the administrative concession. As of the December 31, 2022, the total amount outstanding under these loans was €9,382.11 thousand and €2,273.86 thousand, respectively.

- Debt Issues

- MARF Promissory Notes

In October 2020, the Company established a program to issue short-term promissory notes (the “STPN Programme”) in the Mercado Alternativo de Renta Fija (MARF). The STPN Programme is renewed annually and its latest renewal date was October 2022. The STPN Programme allows for the issue of notes up to an aggregate amount of €175 million.

As of December 31, 2022, the total outstanding amount under the MARF Promissory Notes was €34,300 thousand.

- Private Promissory Notes

In November 2022, the Company established a private program to issue short-term promissory notes to be subscribed by Pagaralia, S.L. up to an amount of €8 million. The promissory notes have a maximum maturity of 360 calendar days, from and including the day of issue and will mature in November 2023.

- MARF Bonds

In November 2020, the Company established a bond program in the Mercado Alternativo de Renta Fija (MARF) (the “MARF Bond Programme”). The Bond Programme is renewed annually and its latest renewal dated December 2022, The Bond Programme allows for the issue of bonds up to an aggregate amount of €100 million. Under the MARF Bond Program, the Company shall maintain a ratio of net financial debt to EBITDA below or equal to 2.5x.

The Company has executed two bond issuances under said program: (i) an issuance for an effective amount of approximately €20 million in April 2021, and (ii) an issuance for an effective amount of approximately €29 million in December 2020. Both issuances have an interest rate of 2.75% and mature in December 2024.

The outstanding bonds issued under the aforementioned Bond Programme are described in the table below:

Issue	Initial duration	Maturity	Coupon rate	Balance as of December 31, 2022 <i>(in euros)</i>
				(audited)
12/01/2020	4.08 years	12/30/2024	2.751	29,800,000
04/16/2021	3.74 years	12/30/2024	2.751	20,000,000
Total				49,800,000

Under the terms and conditions of the Bond Programme, the Company shall maintain a net financial debt/EBITDA ratio lower or equal to 2.5x. Also, the terms and conditions set forth that a change of control of the Company taking place as per the definition provided for in article 42 of the Spanish Commercial Code shall constitute an event of default.

- Bond Private Placement

In December 2019, the Company entered into a senior bond private placement agreement with BBVA, S.A. as the placement entity for an amount of €56 million. The bonds were admitted to trading in the bond segment of the multilateral trading system of the Third Market of the Vienna Stock Exchange (Wiener Börse AG MTF) and will bear interest at 3.25%. The bonds will mature in December 2027. The conditions of the bonds set forth a redemption right at the option of the noteholder following a change of control of the Company. Additionally, the conditions of the bonds establish certain covenants which include the obligation of the Group, for so long as any bond remains outstanding, to maintain a Net Financial Indebtedness/EBITDA Ratio equal to or lower than 3x.

The outstanding bond issued under the private placement is described in the table below:

Issue	Initial duration	Maturity	Coupon rate	Balance as of December 31, 2022
				(in euros)
12/12/2019	8 years	12/12/2027	3.25	56,000,000
Total	n/a	n/a	n/a	56,000,000

As of the date of this Prospectus, the financial entities participating in the Syndicated ICO Loan, the Syndicated CESCE Financing Agreement, the MARF Bonds, the Bond Private Placement and the Certificate of Indebtedness authorised a waiver of the Company's obligation to meet the financial ratio of Net financial debt/consolidated EBITDA lower or than or equal to 2.5x or 3x, as applicable, in 2022. Additionally, the Company's directors consider that, as of the date of this Prospectus, the Group is in a position to comply with the financial ratios included in the clauses of all its financing agreements.

Separately, the guarantees provided by the Group in relation to its normal course of business include syndicated guarantee lines amounting to €660,843 thousand as of December 31, 2022 (€671,787 thousand as of December 31, 2021), of which €518,919 thousand are subject to certain covenants, the fulfilment of which was waived as at December 31, 2022. As of the date of this Prospectus, a waiver has been obtained for compliance with the ratio of equity attributable to shareholders to adjusted balance sheet higher than 9% for 2023.

As of the date of this Prospectus, no pledge has been granted on the shares of the Company or its subsidiaries as security for any of the Group's financings.

Analysis of Alternative Performance Measures

In addition to the financial information presented or incorporated by reference herein and prepared under IFRS-EU, this Prospectus includes certain APMs as defined in the ESMA Guidelines. The Group believes that the presentation of the APMs included herein complies with the ESMA Guidelines and ESMA's Q&A on Alternative Performance Measures Guidelines published in April 1, 2022. The APMs included herein have neither been audited nor reviewed by the Company's auditors or by any independent expert. The definition and determination of EBIT^{APM} and Net Cash^{APM} are disclosed in the accompanying consolidated directors' reports to each of the Financial Statements. The definition and determination of Backlog^{APM} are disclosed in the 2022 Audited Consolidated Financial Statements.

The APMs presented in this Prospectus include figures derived from the Financial Statements. The Group presents these APMs as supplemental information because the Group believes they provide a useful additional basis for comparing its performance and facilitate comparisons of operating performance from year to year. However, the APMs included in this Prospectus might not be calculated or presented in the same way as similarly titled measures used by other companies, and consequently, such data may not be comparable with the data presented by such companies.

Prospective investors are cautioned not to place undue reliance on these measures, which should be considered as supplemental to, and not a substitute for, the financial information prepared in accordance with IFRS-EU included or incorporated by reference herein. See "Presentation of Financial and Other Information—Alternative performance measures" for certain information on the limitations of APMs.

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} for the years indicated:

	Year ended December 31,		
	(audited, except otherwise indicated)		
	2022	2021	2020
	<i>(in millions of euros)</i>		
Adjusted revenue (unaudited)	4,248.2 ⁽¹⁾	2,827.2 ⁽¹⁾	3,530.7 ⁽²⁾
Operating expenses ⁽³⁾	(4,239.5)	(2,983.9)	(3,489.3) ⁽⁴⁾
EBIT^{APM} (unaudited)	8.7	(156.6)	41.5

- (1) Adjusted revenue for the years ended December 31, 2022 and 2021 as per EBIT^{APM} calculation includes Revenue in an amount of €4,233,370 thousand for the year ended December 31, 2022, (€2,807,593 thousand for the year ended December 31, 2021) plus Other Gains or Losses in an amount of €5,718 thousand for the year ended December 31, 2022 (€12,556 thousand for the year ended December 31, 2021) plus Other operating income in an amount of €9,150 thousand for the year ended December 31, 2022 (€7,087 thousand for the year ended December 31, 2021).
- (2) Adjusted revenue for the year ended December 31, 2020 as per EBIT^{APM} calculation includes Revenue in an amount of €3,520,589 thousand plus Other operating income in an amount of €10,152 thousand.
- (3) Operating expenses for the years ended December 31, 2022, 2021 and 2020 as per EBIT^{APM} calculation include Procurement costs in an amount of € (3,351,765) thousand for the year ended December 31, 2022, €(2,124,278) thousand for the year ended December 31, 2021 and €(2,597,251) thousand for the year ended December 31, 2020), Employee benefit expenses in an amount of €(480,934) thousand for the year ended December 31, 2022 €(475,730) thousand for the year ended December 31, 2021 and €(561,856) thousand for the year ended December 31, 2020), other operating expenses in an amount of €(343,614) thousand for the year ended December 31, 2022, €(318,917) thousand for the year ended December 31, 2021 and €(257,675) thousand for the year ended December 31, 2020), depreciation, amortisation and impairment losses in an amount of €(25,863) thousand for the year ended December 31, 2022, €(27,411) thousand for the year ended December 31, 2021 and €(43,216) thousand for the year ended December 31, 2020); and lease and royalty expenses in an amount of €(36,428 thousand) for the year ended December 31, 2022, €(38,273) thousand for the year ended December 31, 2021 and €(42,112) thousand for the year ended December 31, 2020).
- (4) Operating expenses for the year ended December 31, 2020 includes other gains and losses in an amount of €(10,315) thousand.

As of December 31, 2022 the Group's EBIT^{APM} was €8.7 million (€(156) million as of December 31, 2021 and €41.5 million as of December 31, 2020).

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} for the years indicated

	For the year ended December 31,		
	2022	2021	2020
	(unaudited)		
	<i>(in millions of euros)</i>		
EBIT ^{APM}	8.7	(156.6)	41.5
Adjusted revenue.....	4,248.2	2,827.2	3,530.7
EBIT Margin^{APM}	0.2%	(5.5)%	1.2%

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.

	As of December 31,		
	2022	2021	2020
	(audited, except as otherwise indicated)		
	<i>(in millions of euros)</i>		
Borrowings	(802.1) ⁽¹⁾	(742.9)	(736.2)
Equity	83.0	104.7	283.6
Leverage Ratio^{APM}(unaudited)	966.3%	709.9%	259.6%

(1) For the Leverage Ratio^{APM} calculation, Borrowings for year ended December 31, 2022 exclude the Profit Sharing Loan of the SEPI Financial Support (€ 175 million) for comparability purposes *vis à vis* 2021 and 2022, when the SEPI Financial Support was not accounted for.

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

	Year ended December 31,			
	2022	2021	2020	
	(audited, except as otherwise indicated)			
	<i>(in millions of euros)</i>			
Cash and cash equivalents ⁽¹⁾	959.7	666.9	931.5	
Financial assets at fair value	—	—	—	
Borrowings	(802.1) ⁽¹⁾	(742.9)	(736.2)	
Net cash^{APM} (unaudited)	Cash and cash equivalents, plus financial assets at fair value, less borrowings	157.6	(76)	195.3

(1) For the Net Cash^{APM} calculation, Borrowings for the year ended December 31, 2022 exclude the Profit Sharing Loan of the SEPI Financial Support (€ 175 million) for comparability purposes *vis à vis* 2021 and 2022, when the SEPI Financial Support was not accounted for.

As of December 31, 2022 the Group's Net Cash^{APM} was €157.55 million (€(76.0) million as of December 31, 2021 and €195.3 million as of December 31, 2020).

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 December 31, 2022 the Group's Average Variable Interest Rate^{APM} was 2.19% (1.97% as of December 31, 2021 and 1.66% (€ denominated debt) and 1.5%-2.25% (USD denominated debt) as of December 31, 2020).

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 the date of this Prospectus amounts to €10,731.85 million and the Backlog^{APM} as of December 31, 2022 amounted to €9,514.85 million (€8,719 million as of December 31, 2021).

Changes

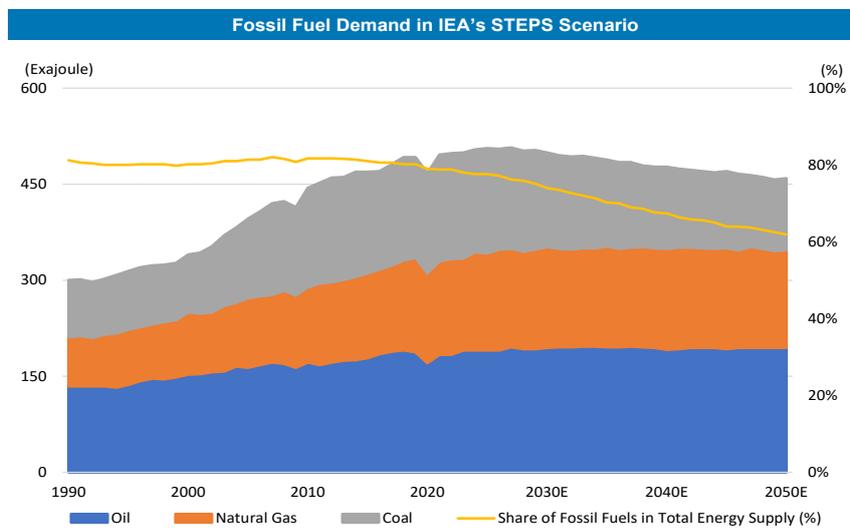
As regards changes in the definition, reconciliation or use of this indicator with regard to that used in the previous year, the Group informs that Adjusted EBIT^{APM} and Adjusted Net Profit^{APM} ceased to be reported as an alternative performance measure. The reason is that these alternative performance measures were included to reflect impact of Covid-19 in the Group operations and, given that this impact is no longer material, the Group has opted to exclude them from its reported indicators.

INDUSTRY OVERVIEW

Global Energy

The outlook of the global energy sector can be divided into two parts: a) a short-to-medium term view that will have conventional hydrocarbons at the centre of the supply and demand equilibrium; and b) a long-term view where the decarbonisation agenda will drive the energy sector on the back of more hydropower and renewables, including the broader use of bio-energy and hydrogen in the energy value chain.

The split of the global energy outlook into two separate near and long-term supply mix dynamics can be noted in the report by the International Energy Agency (the “IEA”) World Energy Outlook (“WEO”) 2022, in which the total primary energy mix in the short-to-medium term is expected to be largely supplied by fossil fuels with a ~75% share until 2030. The share of decarbonized energy supply in the long-term is expected to increase from 25% in 2030 to above 40% in 2050 on the back of more hydropower and renewables, including low-carbon hydrogen.

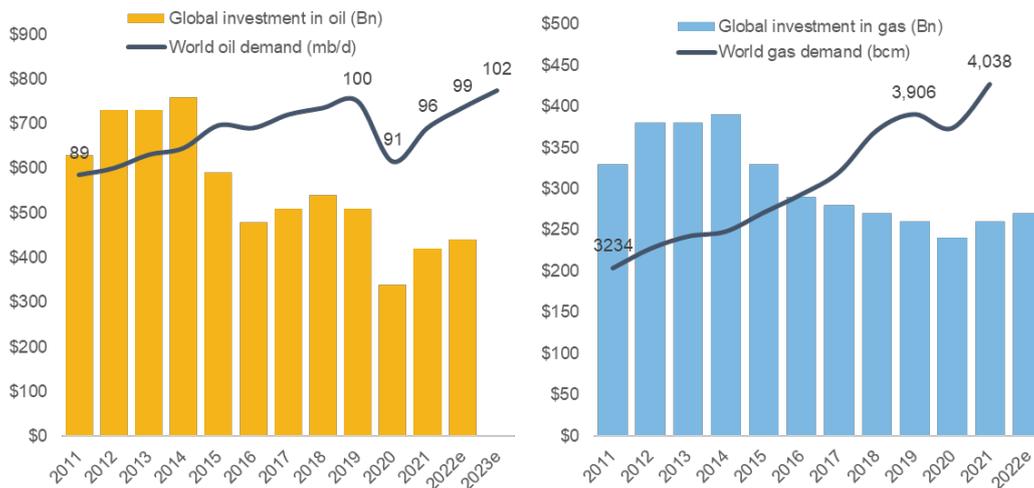


Source: IEA data from IEA's World Energy Outlook 2022, www.iea.org/statistics, All rights reserved.

Energy Services companies are well positioned to benefit both from near-term increases in oil and gas demand and related increases in spending, as well as from investments on longer-term projects related to decarbonisation.

Increase in Oil and Gas Demand

The recent strong recovery in the global oil and gas demand continued in 2022 as petroleum and liquids fuels consumption reached 99.4 million barrels per day (“mmbpd”) following an increase of ~5.2 mmbpd in 2021. This growth momentum is expected to remain robust with an average 101.5 mmbpd of demand in 2023, according to the US Energy Information Agency (EIA).



Source: Company Analysis, IEA, BP

Despite the increasing global demand in oil and gas there has been a decline in investments over the past decade with a more apparent reduction of 42% in oil related investment compared to a 30% decline in gas related spending.

It should be noted that according to IEA WEO 2022, global oil demand is expected to grow by 8 mmbpd by 2030 over 2021 level under STEPS¹ scenario and remain flat between 2030 and 2050. In addition, production from existing fields drops by 18 mmbpd, leaving the large gap (~26 mmbpd) by 2030 that needs to be filled by new sources of oil supply. As a result, investment in new supply is needed to chiefly to compensate for the underlying declines in the existing sources of production.

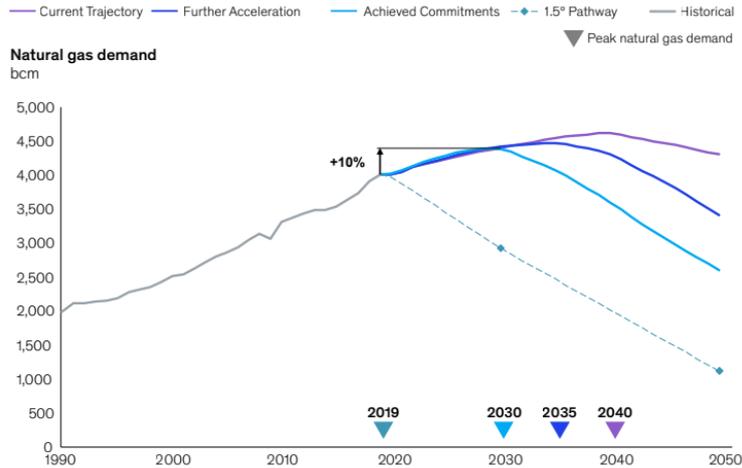
Natural gas demand globally is expected to increase by 159bcm by 2030 under STEPS scenario according to IEA WEO2022, and Middle East is the largest near-term source of this growing demand underpinned by the North Field expansion in Qatar where additional volumes are focused for export as well as 60bcm rise in non-associated gas production to meet local demand in Middle East.

In addition to this, according to McKinsey's Global Energy Perspective 2022 ("McKinsey Energy 2022") report, global oil demand is likely to peak in the next two to five years with the peak expected in 2027 under the Current Trajectory² scenario, which reflects current policies regarding the energy transition.

Natural gas has gradually increased its share in the energy mix and is expected to play a key role throughout the energy transition with its wide applications, and is expected to grow by 10% in the next decade in all scenarios of McKinsey Energy 2022 and continue this growth under the Current Trajectory scenario by 2040.

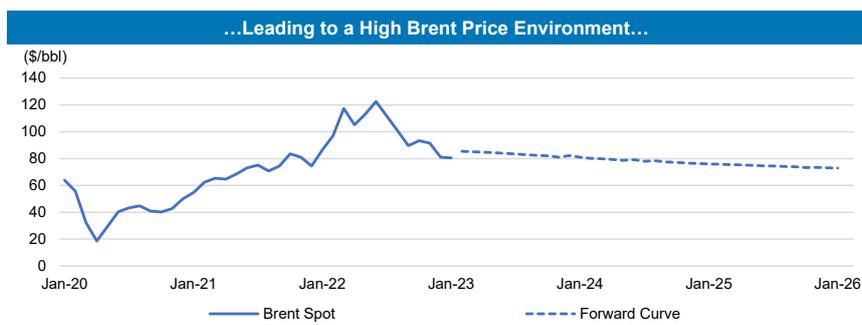
¹ STEPS – Stated Policies Scenarios, APS – Announced Pledges Scenario, NZE – Net Zero Emissions by 2050

² McKinsey Energy 2022 - Current Trajectory is a scenario in which renewables cost decline continues, however active policies currently remain insufficient to close gap to ambition.



Source: McKinsey Global Energy Perspective 2022

In summary, the current supply constraints due to years of underinvestment combined with expected recovery in oil and gas demand in the near term will contribute to the expected sustained elevated oil and gas prices in the near term.



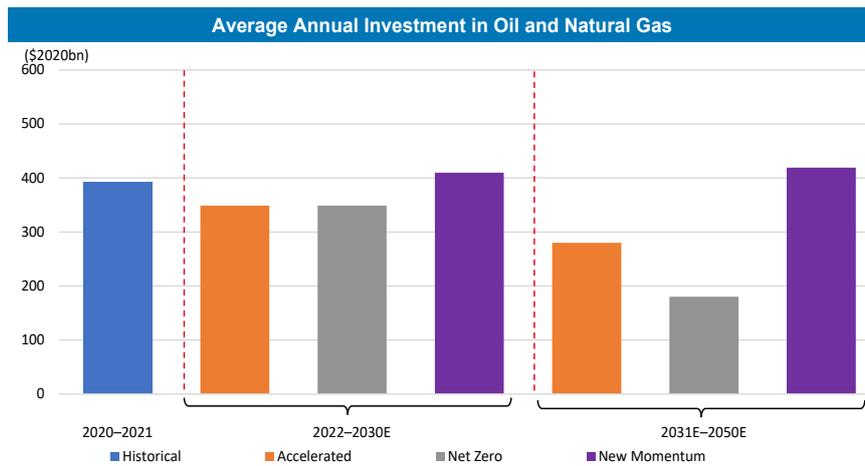
Increasing Oil and Gas (“O&G”) Investment with the Middle East Leading the Growth

The continued trend of cyclically strong oil and gas prices through 2023 and beyond, combined with modest growth in production volumes, is expected to support strong cash flow generation by oil and gas companies.

Therefore, the current environment is likely to be accompanied by growing investments in the O&G industry, ranging from upstream Capex, to building energy infrastructure (Liquefied Natural Gas (“LNG”) facilities) and investments related to the construction of new downstream facilities and the upgrading of existing ones.

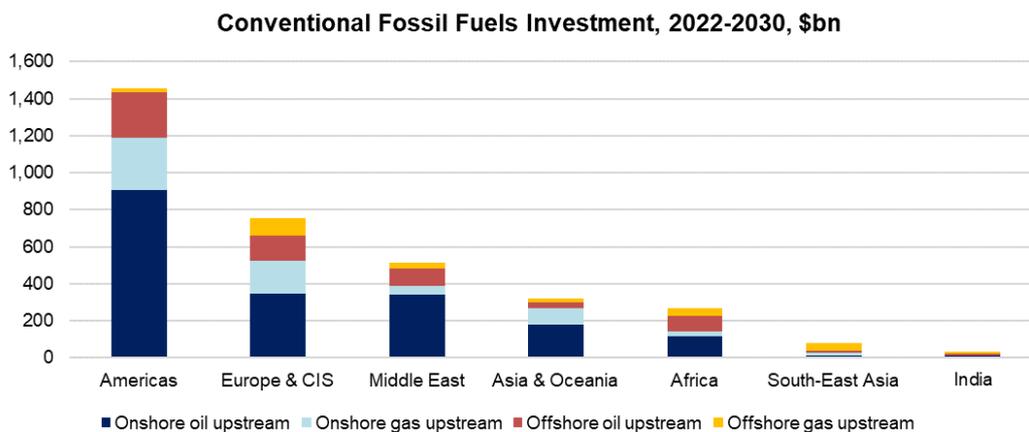
This expected increase in investment was also covered in the BP Energy Outlook 2023 report, which looks at the estimated average annual investment in the oil and natural gas sector across the forecast period in comparison to investment across 2020-21. Under the New Momentum³ scenario, it is understood that investments in oil and natural gas over the next decade are likely to exceed \$400 billion per annum and remain higher than the average of what the industry spent in 2020-2021.

³ New Momentum is designed to capture the broad trajectory along which the global energy system is currently travelling (BP Energy Outlook 2023).



Source: Bp Energy Outlook 2023

Furthermore, according to McKinsey Energy 2022, investments related to onshore upstream are expected to amount to \$2.6 trillion, an area where most of the E&C projects are implemented in the upstream sector of O&G.



Source: McKinsey Global Energy Perspective 2022

In addition to this, comparing upstream spending levels between 2019 and 2022 among oil and gas companies, it is understood that spending by National Oil Companies (“NOC”) from the Middle East has risen above 2019 levels already, whilst capex growth of other oil and gas companies is rising at a slower pace. Therefore, the growth momentum of upstream investment in the Middle East is leading the spending in the sector, with expected growth of 17% in 2023 compared to 11% in 2022.

In summary, 2021-2022 is likely the beginning of a multiyear super-cycle investment period in the oil and gas industry globally, particularly in upstream, which will eventually drive investments across broader sectors including LNG infrastructure and downstream (refineries, petrochemicals etc.).

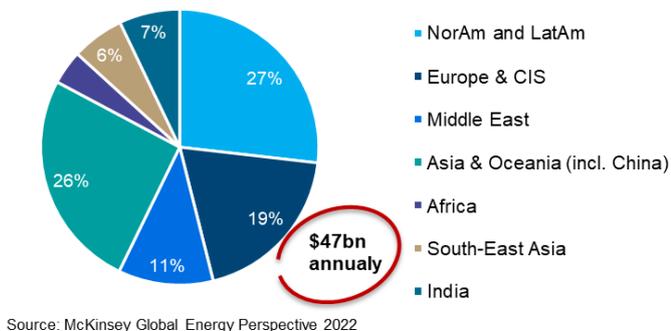
Increasing Downstream Spending

Investments in Refining: Currently, most developing countries have low clean fuel standards (Euro II/III; indicating sulphur content >100ppm). However, demand for clean fuels (Euro VI; indicating sulphur content at 10ppm) is increasing.

As demand for these clean fuels increases and as developing countries target higher grades of diesel/gasoline in line with aforementioned Euro standards, increased investments into refinery upgrades are necessary.

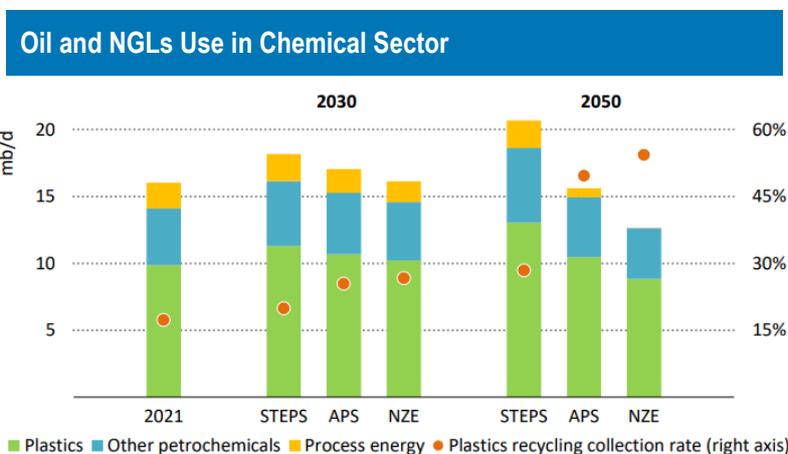
The longer-term outlook on refinery investments is therefore expected to be driven by developing countries, particularly in Latin America, Middle East, China and Asia Pacific regions with an estimated ~\$47bn in annual investment (\$425bn over 2022-2030) globally.

Refinery Investments \$425bn, 2022-2030



Investments in Petrochemistry: Demand for petrochemical products is highly correlated with economic growth. Ethylene and propylene derivatives and aromatics are going to be a driver of investments in the petrochemistry industry.

According to the IEA WEO 2022 report, oil use, that also includes natural gas liquids (“NGL”), in the chemical sector (graph below) is expected to increase under all scenarios by 2030 and under STEPS by 2050 despite the increasing rate of recycling of plastics. This is explained by the strong growth in demand for primary plastics, which will drive the oil use as a petrochemical feedstock for plastics to increase by 3 mmbpd between 2021 and 2050. It should be noted that global NGL demand is expected to grow to ~21 mmbpd by 2030 under STEPS scenario of IEA WEO 2022, an increase from 18.2mmbpd in 2021, as NGLs are the main feedstock for large steam crackers in the petrochemistry.



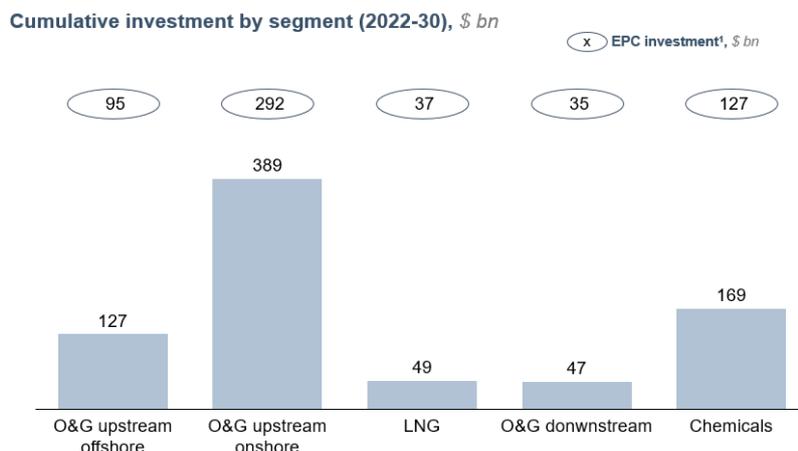
Source: World Energy Outlook 2022, IEA

Furthermore, large refining operators are willing to integrate refining and petrochemical operations. This integration provides flexibility and hedges in operations for the different evolution of demand and prices in oil and petrochemical projects.

The growing importance of chemicals can be noted from the large investments into this sector in the Middle East as per the chart in the “Broader Middle East Spending Outlook”_section below. This chart highlights that expected Chemicals spending of \$169bn over 2022-2030 is 76% higher than the combined total of expected LNG and O&G Downstream spending of \$96bn across the same period.

In summary, the Energy Services sector is likely to benefit from the strong investment outlook on the downstream sector, led by expected refinery upgrades and the construction of more chemical facilities, particularly driven by spending in the Middle East.

Broader Middle East Spending Outlook: Conventional energy spending in the Middle East is expected to amount \$781 billion over 2022-2030, of which ~63% is particularly related to onshore EPC investment (the share of the sum of EPC investment excluding \$95bn EPC related to offshore O&G upstream).



Note: 1. Considers +75% of EPC investment as % of total CAPEX.
 Source (O&G, LNG): McKinsey Global Energy Perspectives – scenarios: 2022 Further Acceleration; McKinsey Research & Insights. Source (Chemicals): IHS Markit.

The share of EPC related investments increases to 75% across LNG, O&G downstream and Chemicals, with the size of investments for the latter indicating the importance of broader chemicals taking the lead in the region.

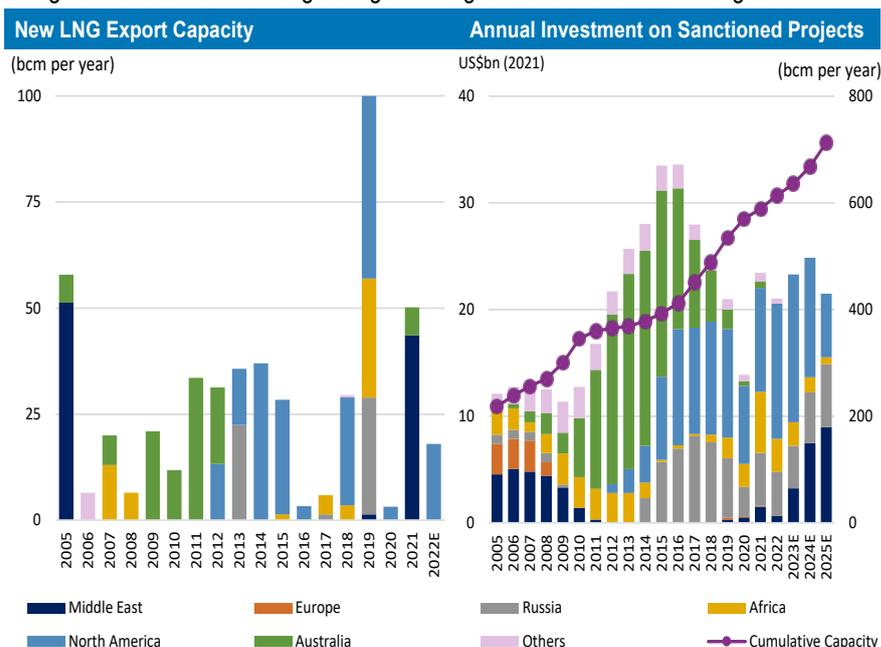
Diversification of European Energy Supply

The combination of efforts towards the strengthening of energy security and the current high energy price environment will lead to more projects achieving final investment decisions (“FID”) in 2023. This is likely to create further upside opportunities for E&C companies.

A key example of this will be Europe’s diversification away from Russian natural gas imports by pipeline. This shift will require the addition of substantial LNG import facilities including both shorter-term floating storage and regasification vessels and long-term onshore import terminals.

According to EIA, Europe’s (EU and the UK) LNG import capacity is set to expand by c. 34% (6.8 billion cubic feet per day (“Bcf/d”) by the end of 2024, as many of the regasification projects in Europe can be developed relatively quickly by chartering Floating Storage Regasification Units (“FSRU”) and building pipelines to transport re-gasified natural gas.

This trend has been accelerated since the conflict between Russian and Ukraine in February 2022 and the reduction in natural gas pipeline imports from Russia that followed, European countries have reactivated development of previously dormant regasification projects and have started development of new projects.



Source: IEA, World Energy Investment 2022

The list of current active projects that could add 3.5 Bcf/d of new capacity by the end of 2023 are developed in Germany (three FSRU terminals, 1.4 Bcf/d), Poland (LNG regasification expansion, +0.2 Bcf/d), France (new 0.4 Bcf/d regasification), Finland (0.5 Bcf/d), Italy (0.5 Bcf/d) etc

The graphs to the right show sanctioned yearly new LNG export capacities (graph on the left) and the annual investment on sanctioned LNG export projects (graph on the right).

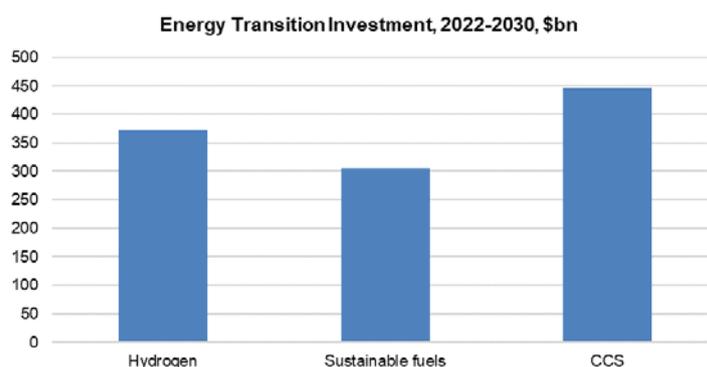
North America and the Middle East (particularly Qatar) are set to increase LNG export capacities in the forecast period in order to meet the growing need for LNG imports in Europe and globally.

Investment in Decarbonisation

Despite the near-term growing share of conventional hydrocarbons in the global energy supply mix, the future of global energy is dominated by four trends: the declining role of hydrocarbons, the rapid expansion of renewables, increasing electrification and the growing use of low-carbon hydrogen, the growth of biofuels and the use of carbon capture in energy intensive industries.

The Energy Services sector will benefit from this transition as more onshore facilities are expected to be built to support the circular economy, including bio-fuels, investment opportunities in the hydrogen value chain as well as decarbonisation efforts in energy intensive industries such as steel, cement and chemicals in addition to oil and gas sectors.

According to McKinsey Energy 2022, global investment in the energy transition is estimated to reach \$1.1 trillion over 2022-2030 under the Further Acceleration scenario⁴, with c.50% of investment coming from the North and South America and Europe.



Source: McKinsey Global Energy Perspective 2022

Government Policies in Decarbonisation: The US government signed into law **The Inflation Reduction Act (“IRA”)** in August 2022, which directs federal spending toward reducing carbon emissions, lowering healthcare costs, funding the Internal Revenue Service and improving taxpayer compliance.

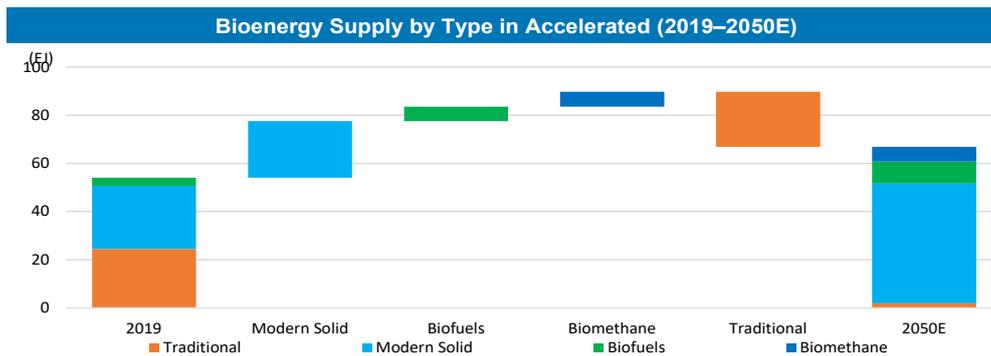
The IRA will direct ~\$400bn to clean energy, with the primary aim being the reduction of carbon emissions through accelerated investment into carbon capture and storage technologies as well as the production of green hydrogen from renewables.

The initiatives undertaken in the US are likely to be followed by other major developed countries including the EU and the UK, which will further accelerate and support investments into the energy transition.

Bioenergy: BP Energy Outlook 2023 estimates modern bioenergy supply to more than double to 65 exajoules (EJ), largely phasing out the traditional use of biomass in buildings in emerging economies. The production of bio-fuels is estimated to triple in the Accelerated and Net-Zero⁵ scenarios to ~10 EJ, with most of these fuels being used in the aviation sector.

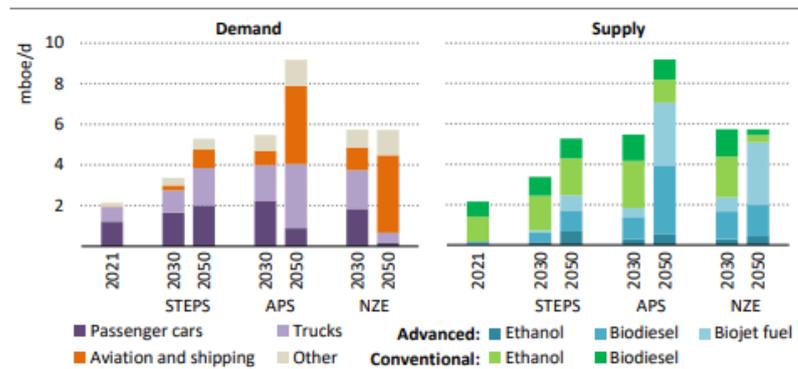
⁴ McKinsey Energy 2022 – Further Acceleration scenario in which energy transition is driven by country-specific commitments, though financial and technological restraints remain

⁵ Accelerated and Net Zero scenarios explore how different elements of the energy system might change in order to achieve a substantial reduction in the carbon emissions (BP Energy Outlook 2023 report).



By 2050, bio-derived aviation fuels are expected to account for 30% of total aviation demand globally (50%-60% in the US and Europe), according to BP. Furthermore, according to Neste⁶ the global demand for sustainable aviation fuel (SAF) will reach 12 million tonnes per annum (mtpa) by 2030, with renewable diesel demand potentially exceeding 30 mtpa by 2030.

According to the EU Biorefinery Outlook to 2030 study (European Commission study, February 2021), the estimated number of new bio-refinery additions in Europe could reach 44 under high growth and 27 under low growth scenarios with total demand exceeding 16mtpa and 7.8mtpa

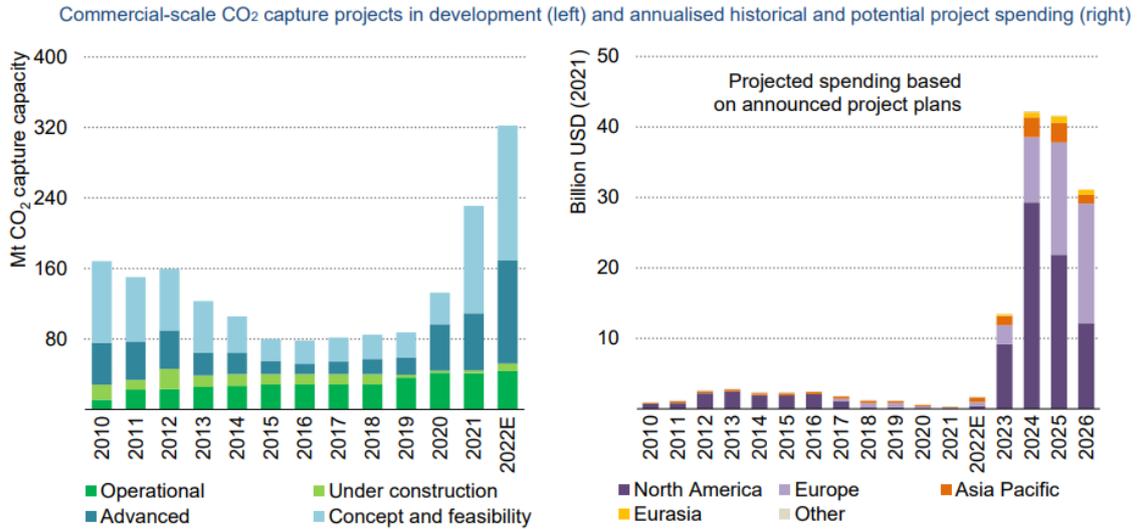


According to IEA WEO 2022, demand in liquid biofuels is expected to be largely driven by the trucking, aviation and shipping sectors in 2050, whilst medium-term 2030 demand will be still dominated by passenger cars and trucks. The increase in biofuels used across transportation sector is supported by more strict clean fuel blending standards with the aim to reduce the carbon footprint of transportation sector.

In summary, there is a growing presence of bio-energy in wider applications, with a growing share of bio-fuels in transportation and therefore an increasing need for bio-energy related facilities. This increasing need for more plants is likely to be a positive catalyst for Energy Services in the long-term term.

Carbon Capture: Carbon capture, use and storage (“CCUS”) plays a central role in supporting the transition to a low-carbon energy system. Net zero pledges and anticipated low-carbon hydrogen have led to a wave of CCUS project announcements that could push annual investment up to \$40bn by 2024, according to IEA WEO 2022.

⁶ Source: Neste Capital Markets Day 2021 (<https://www.neste.com/releases-and-news/investors/neste-capital-markets-day-2021-delivering-strategy-and-renewal-through-innovation#125cfbc9>)



Source: IEA WEO 2022

Among the industrial segments, the highest CCUS uptake is estimated to come from **blue hydrogen production** (production of hydrogen from natural gas with carbon capture), and the **iron, steel and cement sectors, together accounting for 85% of global total demand** in the Further Acceleration scenario⁷.

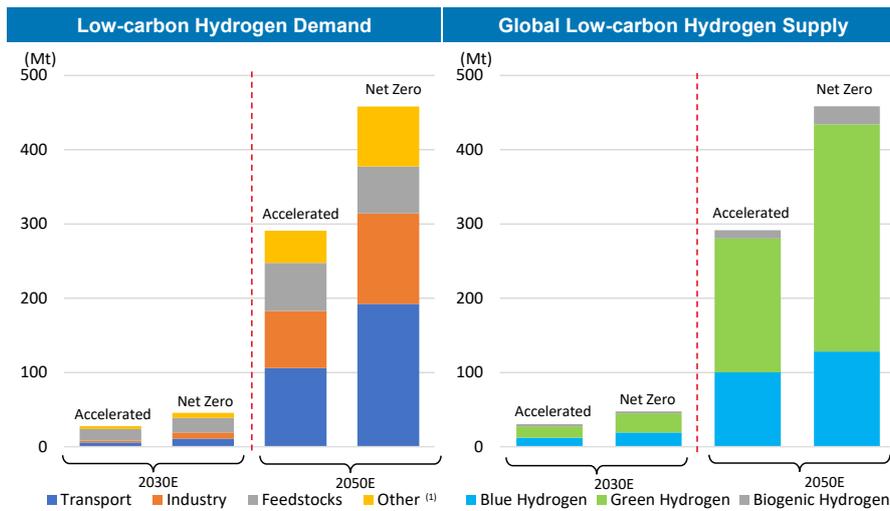
The role of CCUS in reducing emissions varies by industry segment. It is the only scalable solution for cement to reduce process emissions but is facing strong competition from alternatives in other segments.

Therefore, Técnicas Reunidas will provide services to and construct CCUS facilities for these industrial segments, which serve as another opportunity for the Company to grow its presence in the sustainable economy.

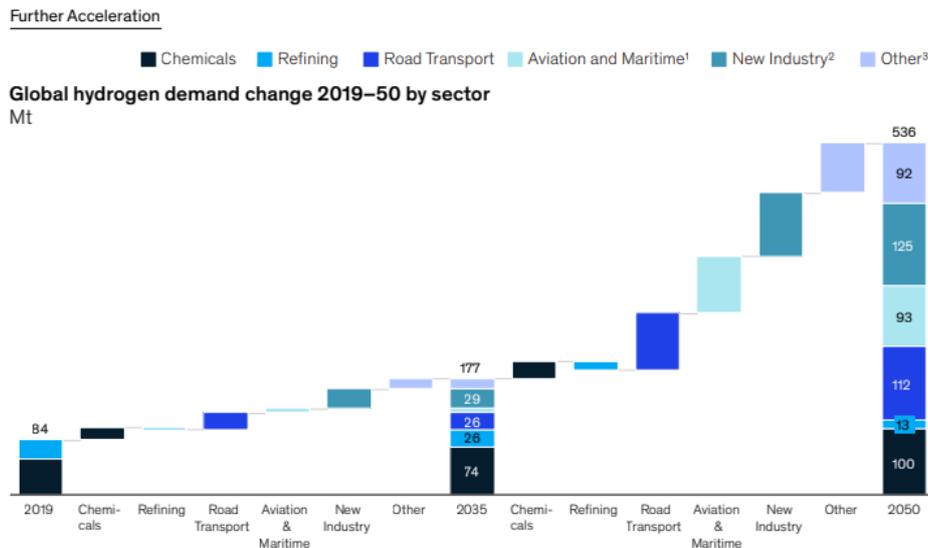
Hydrogen Outlook: According to BP Energy Outlook 2023, the estimated growth of low-carbon hydrogen demand by 2030 is relatively slow and it is expected to accelerate post 2030, reflecting both the long lead times to establish low-carbon projects and the need for policy support to incentivize its use in place of lower-cost alternatives.

Green hydrogen is estimated to account for ~60% of low-carbon hydrogen in 2030, with that share increasing to 65% by 2050. It should be noted that the EU is estimated to produce 70% of low-carbon hydrogen it consumes (65% by 2050).

⁷ McKinsey Energy Insights Global Energy Perspectives 2022



In the Further Acceleration⁸ scenario, before 2035, 29 million tonnes (30%) of hydrogen demand growth is estimated to come from new industrial uses such as iron and steel, driven by early decarbonization targets and by new-built plants. Hydrogen demand is projected to accelerate post 2035 across all sectors, with road transport and new industrial uses still accounting for more than 50% of demand growth.



1. Aviation and maritime include direct use of hydrogen and hydrogen-derived syngases including kerosene, diesel, methanol, gasoline, and ammonia. The category also includes some hydrogen-derived syngases in road transport
 2. New industry includes all new uses of hydrogen in industrial hydrogen uses
 3. Other includes buildings and electricity generation

Source: McKinsey Energy Insights Global Energy Perspective 2022

Wider use of hydrogen is also noted also in form of new projects that envisages the production and export of ammonia from renewables with secondary derivative being the cracking and re-production of hydrogen at the end-use of the value chain.

In 2022 RWE, TES and Uniper announced separate intentions to integrate ammonia or hydrogen import terminals into LNG import terminal projects in Germany by 2026. The \$500 million RWE project foresees a facility to crack ammonia to hydrogen, whilst a

⁸ Source: McKinsey Energy Insights Global Energy Perspective 2022

similar project in the Netherlands was announced in April 2022. In Egypt, a project worth up to \$5 billion for making and exporting ammonia from renewable electricity was approved in March 2022.

Lack of Engineering Capacity

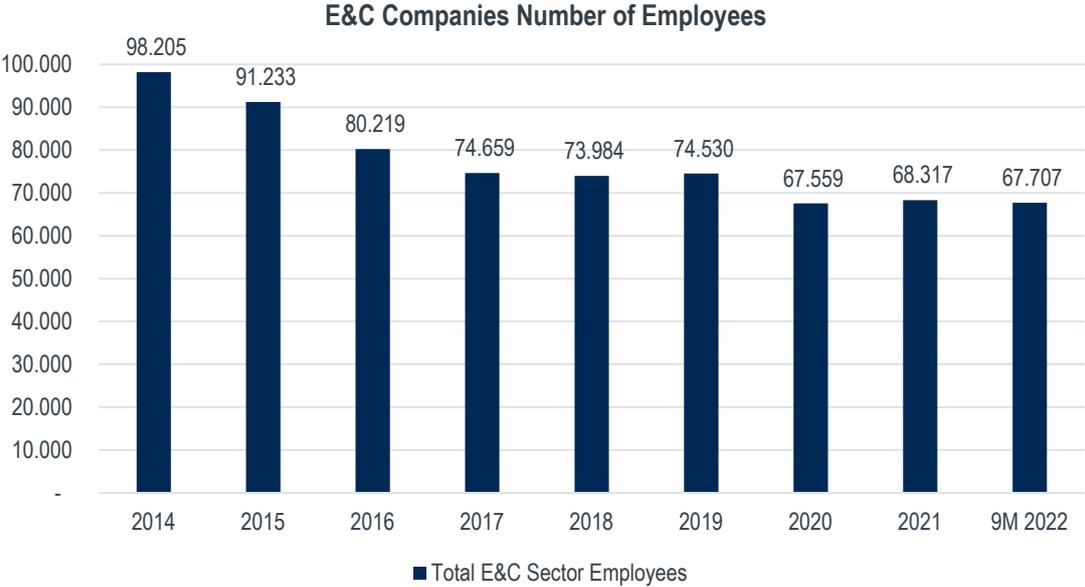
The cycle of O&G spending is in full force after the years of underinvestment and covers the whole value chain of conventional energy supply, including upstream (both offshore and onshore) as well as downstream (refineries, petrochemistry etc.) sectors.

This continuing upstream spending wave comes alongside proposed Middle Eastern downstream step-out and transition-related activities, which are finally starting to materialise as EPC projects.

In addition to this, accelerated investments into the energy transition starting from CCUS projects to achieve tangible and short-term decarbonisation targets followed by investments into hydrogen and bioenergy creates an opportunity for Energy Services companies to both contribute to the global carbon footprint reduction and also to profitably expand their business models and services provided.

The current cycle of growing investment in both conventional hydrocarbons and energy transition will require a demonstrated engineering and construction capacity that is not available in the market as can be noted by looking at the trend of the workforce/total number of employees across E&C companies⁹ since 2014. Total workforce of these E&C companies declined by 31% since 2014, whilst individual companies such as Saipem and Petrofac had their total number of employees declined by 35% and 59% respectively.

Therefore, the market for Energy Services companies is shifting from a buyer's (project owners) market to a sellers' (service companies) market.



Source: Company Disclosures

⁹ E&C Companies included in the graph: Saipem S.p.A, Petrofac Limited, Técnicas Reunidas, Maire Technimont SpA and Technip Energies NV.

BUSINESS

Overview

The Group is dedicated to providing all types of value-added engineering and construction services for industrial plants in the fields of refining, natural gas, petrochemistry, and low carbon technologies. The services provided range 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, construction of facilities and other related or linked services (such as technical assistance, construction supervision, site management, project management, commissioning and training). The Group also provides services to offer technical solutions linked to the energy transition, the circular economy and decarbonisation (renewable hydrogen, biofuels, waste recovery, CO₂ sequestration and capture, etc.).

Most of the Group's business is concentrated on large turnkey industrial projects, although the Group also provides engineering, construction management, start-up and operating services for industrial plants. The Group divides its business into five divisions: Refining, Natural Gas, Petrochemistry, Low Carbon Technologies and Others.

As set out in the following table, the Group's principal division at December 31, 2022 by revenue is the Natural Gas division:

	For the year ended December 31, 2022	
	Revenue (audited)	Percentage of total (unaudited)
(euro in thousands, except percentages)		
Refining	1,425,936	33.7%
Natural gas	1,632,121	38.6%
Petrochemistry	842,556	19.9%
Low carbon technologies	5,716	0.1%
Others	327,041	7.7%
Total	4,233,370	100%

The Group operates mainly in America, Asia, Europe, the Mediterranean and in the Middle East. In particular, the countries where the Group had a presence as of December 31, 2022 were the following:

- **Spain.**
- **America:** Argentina, Canada, Chile, Colombia, Mexico and Peru.
- **Asia:** India, Indonesia, Malaysia, Kazakhstan and Singapore.
- **Europe:** Belgium, Poland, the Netherlands and Germany.
- **Mediterranean** (other than European countries): Algeria and Turkey.
- **Middle East:** Saudi Arabia, Azerbaijan, Bahrain, UAE, Kuwait, Oman and Qatar.

As set out in the following table, during the year ended December 31, 2022, the majority of the Group's revenue came from outside of Spain.

	For the year ended December 31, 2022	
	Revenue (audited)	Percentage of total (unaudited)
(euro in thousands, except percentages)		
Spain	71,331	1.7%

	For the year ended December 31, 2022	
Middle East	2,354,156	55.6%
America	538,287	12.7%
Asia	360,054	8.5%
Europe	482,918	11.4%
Mediterranean	426,624	10.1%
Total	4,233,370	100%

History

The Group's origins date back to 1960, when Lummus Española, S.A. was formed, and in 1963, the Group completed the engineering and construction of its first complete refinery in Spain, beginning their specialization in the engineering and construction of refineries. In 1968, the Group completed the engineering and construction of the Luján de Cuyo refinery in Argentina for Yacimientos Petrolíferos Fiscales, SA (YPF), its first turnkey project outside of Spain. In 1972, the Group merged with another company and adopted its current name: Técnicas Reunidas, S.A.

In 1980, with a view to being able to better develop the Group's business in the engineering and construction of power stations (both nuclear and conventional thermal facilities) and to assist with energy development in Spain, the Group participated in the creation of Empresarios Agrupados, Sociedad Anónima de Empresas ("**Empresarios Agrupados**") together with Gibbs & Hill Española, S.A. (now called Ghesa Ingeniería y Tecnología, S.A. or Ghesa) and Estudios y Proyectos Técnicos, S.A. (known as Eptisa). Through Empresarios Agrupados, the Group participated in a number of power projects including the design of nuclear power plants in Spain. The Group sold its interest in Empresarios Agrupados in 2021.

In the 1980s, the Group began pursuing contracts for large turnkey projects (projects notable because of their size and complexity, the Group's responsibility or their value) in the international markets. The Group also became one of the first engineering and construction foreign companies to establish themselves in China, where the Group has since developed many different types of projects, including petrochemistry, fertilizer and iron and steel plants.

Towards the end of the 1990s, the Group began assuming the role as the selected contractor on a number of combined cycle plants in Spain. For example, the Group solidified its relationship with General Electric Power and became recognized as a selected contractor.

In 2000, the Group acquired two of the four business units from the state-owned Initec during its privatization—its industrial plants division and its infrastructure division. The acquisition of the industrial plants division increased the Group's involvement in the upstream and natural gas sector due to Initec's existing experience in this sector. Also, the acquisition of the infrastructures division allowed the Group to have a greater participation in a number of Spanish infrastructure projects. Also during this decade, the Group secured (i) a turnkey project for the engineering and construction of a natural gas liquefaction plant in Damietta for Segas (a member of the Unión Fenosa group), (ii) a turnkey project for the development of an oil field in Ourhoud (Algeria) for Cepsa and Sonatrach, the Group's first large oil production project; (iii) a turnkey contract for the engineering and construction of the Yanbu hydro treatment plant for Saudi Aramco, the Saudi NOC, which has the largest crude oil reserves in the world; and (iv) three new contracts in the petrochemistry sector in China for Shell and China National Off-Shore Oil Company (CNOOC) in Nanhai, BASF and Sinopec in Nanjing and BASF in Shanghai.

On June 21, 2006, the Company's shares were admitted to listing on the Spanish Stock Exchanges under the symbol "TRE". Two years after its initial public offering, the Group entered the Ibex 35, the benchmark stock market index of the Bolsa de Madrid comprising the 35 most liquid Spanish stocks traded in the Madrid Stock Exchange General Index.

During the following years, the Group continued its international expansion with the strengthening of its Backlog^{APM} by breaking into new markets and winning new projects from new customers, including large refining projects in petrochemistry, upstream and natural gas were obtained. For instance, the Group signed important and strategic projects with ADCO (Abu Dhabi Company for Onshore Operations), Tüpras and Galp or Petroperú, among others.

This expansion allowed the Group to significantly increase not only awards and Backlog^{APM}, but also total employees figure, which reached 6,000 of highly qualified engineers in 2009, consolidating Técnicas Reunidas as one of the top 20 engineering firms in the world according to the Engineering News Record ranking.

In the 2010s the Group continued with the expansion strategy in its traditional markets and in new markets such as Canada and Australia. It increased its presence in Asia Pacific with Petronas and carried out significant projects such as BAPCO, ADNOC, and Marjan projects, among others. This expansion was fostered by the Company's diversification into new products such as new conversion units, the expertise in new chemicals, the Group's knowhow in modular construction, or the delivery of power projects outside of Spain, especially in Europe and Middle East.

In 2011, the Group committed to comply with the 10 principles of the United Nations Global Compact, betting on a sustainable business development model as the only viable way to boost the growth of the global economy.

From 2011 to 2015, the Group was able to deliver and execute to the satisfaction of its clients important multibillion projects for Saudi Aramco, Dow, Tüpras, Lukoil and Sabic, among others. The growth of Técnicas Reunidas during these years was the outcome of its vision to build a client-based business platform, diversified by products and geographies. The focus on client satisfaction allowed the Group to rely on the recurrence of its customers, while widening the client base in selected markets. Consequently, 2015 marked a milestone in the Group history with the achievement of the highest figures of Técnicas Reunidas in terms of Backlog^{APM}, which amounted to more than €12 billion, and awards exceeding €6 billion.

In the mid-2010s, the sector was hit by a new oil crisis in which investments were drastically reduced compared to previous years. Nevertheless, in the 2015-2020 period the Group was capable to win emblematic and strategic projects for the sector such as the Al-Zour refinery for KNPC in Kuwait, the Duqm refinery project for DRPIC in Oman, the Haradh and Marjan projects for Saudi Aramco in Saudi Arabia, the refinery expansion project for BAPCO in Bahrain and the Singapore complex expansion for ExxonMobil.

During 2020, the Group continued its projects in the difficult environment caused by the global Covid-19 pandemic, establishing work-from-home measures in record time with its more than 8,000 employees, clients and suppliers.

In 2021, the Group participated in initiatives related to hydrogen, biomass, biofuels, decarbonisation, artificial intelligence, and digitization.

During 2022, the general macroeconomic environment and of the energy industry (including that derived from the armed conflict in Ukraine, as well as the geopolitical conflict between Spain and Algeria), have had an important impact on the Group's operations. As a result of the restrictions imposed by the European Union and other international bodies, the Moscow refinery revamping project with Gazprom amounting to €234 million was cancelled. In addition, on June 8, 2022, the consortium formed by Neptune Energy and Sonatrach enforced the performance guarantees in their total amount, equivalent to €80 million.

In this context, the Group received financial support from the Fund for Supporting the Solvency of Strategic Companies, which is managed by the Spanish State Company for Industrial Investments (*Sociedad Estatal de Participaciones Industriales*) ("**SEPI**"), as a result of the leadership position of the Group and its extraordinary contribution to employment, exports and development of the Spanish Brand, all of which position the Group as a strategic company.

The improvement in the Covid-19 global pandemic and in its impact on the Group's operations, and the recovery of investment in the energy sector have enabled the Company to maintain a significant volume of project awards from 2021 and through 2022, amounting to €5.4 billion (See the Financial Statements' consolidated directors reports for 2021 and 2022 for a description of the projects awarded in the years covered therein).

These are a set of projects diversified by products and geographies, with a very attractive risk profile due to the different execution strategies, in which the Group has significantly reduced the risk associated with construction. These projects included two contracts entered into with the Mexican Federal Electricity Commission for the development of a total of four combined cycle power plants in México, a contract for the optimization of a hydro-treatment and hydrogen unit production plant in Argentina entered into with YPF, S.A., and an EPC contract entered into with QatarEnergy for the expansion of sulphur treatment, storage and loading facilities (NFXP Sulphur Project) Likewise, in January 2023 the Group has been awarded an engineering contract to develop the largest ammonium production plant of Kazakhstan for KazAzot JSC, the leading company in the fertilizer industry in

the Republic of Kazakhstan. The Group will be in charge of the engineering design under a FEED OBE contract which is expected to be finalised in the current year. Once completed, the Company will execute the full EPC agreed under the contract terms with a total investment of €1.2 billion.

The slowdown in contract awards in recent months is considered to be cyclical and caused by the uncertainty associated with the armed conflict in Ukraine. (See “*Risk Factors– Risks related to the Group’s business and industry in which it operates–Risks associated with the conflict in Ukraine* “–*Risks associated with the geopolitical conflict between Spain and Algeria*”, and “–*Risks associated with the Covid-19 pandemic*” and “*Operating and Financial Review– Key Factors Affecting the Comparability of the Group’s Financial Condition and Results of Operations*”).

The Group’s Key Strengths

The Group believes its key strengths to be:

- *Strong track record in the industry.* The Group believes that the know-how gained throughout its more than 60 years of successful track record delivering projects to its clients should enable it to win additional projects from the expected structural growth in the market. Since the early 1960s, Técnicas Reunidas has managed the execution of key flagship projects, from early design and preliminary engineering stages to the construction and final commissioning, in more than 60 countries across the 5 continents. In addition to this, the Group’s sound track record is underpinned by its loyal client base, the different markets in which it operates and the robust expertise in a wide range of products that fulfil its client’s needs. Most of the regions in which the Group has a vast experience corresponds to those regions that will invest the most in coming years. These regions include the Middle East, Europe, North America, South America and Southeast Asia.

Since the Group started its operations, it has executed and delivered to satisfaction some of the world’s largest and most complex energy projects. It has developed over one thousand plants which encompass an extensive diversity of products including refining projects, natural gas projects, petrochemistry projects and energy transition projects.

The Group believes it has a very strong position in the oil and gas sector which should enable it to win additional business from the expected structural growth in the market. The Group believes that its extensive experience in the management of turnkey projects provides it with a competitive advantage over other refining engineering and construction companies. Additionally, the Group’s operational history in the refining sector includes turnkey projects in more than 25 countries for a diverse group of clients.

- *Renowned client base.* Thanks to its unparalleled expertise and differential capabilities, the Group has been able to deliver a solid long-lasting relationship with the main players in the refining industry.

The Group has clients of widely-recognized prestige and is able to generate a high level of recurrent business with them, demonstrating the quality of its project execution and the strong relationships built over many years. The Group’s knowledge of the supplier base and its stable collaboration with relevant suppliers and subcontractors is also a key differential driver of its success.

Técnicas Reunidas’ strong franchise and recognized skills in the delivery and management of complex projects has allowed the Group to build up relationships with first tier industrial names in the sector. Técnicas Reunidas’ experience and technological know-how is not only applied to actions in the sectors in which it has been operating for decades, but it is also involved in new initiatives focused on decarbonisation and energy transition, key elements at present date. The aim is to contribute to the transfer of know-how and the industrial scaling of solutions that are essential for the fulfilment of national and global energy policy objectives.

These clients include many of the major state or multinational oil and refining companies, such as Saudi Aramco, ExxonMobil, ADNOC, KNPC, Petroleos del Perú, S.A. and well-recognised companies of other industries that are increasingly investing in petrochemistry or energy transition projects, such as INEOS, SASA Polyester Sanayí, A.S. or G.I.D. Dynamics.

- *Flexibility to adapt to customer needs.* The Group helps its clients to design and build their plants in the most demanding and stringent conditions and in the most remote geographies. The solid experience of Técnicas Reunidas is a great advantage when it comes to serving its customers and developing projects tailored to their needs.

Técnicas Reunidas helps its clients to make their projects happen: from the conceptual assessment to the full execution of the project. The Group provides an integrated service in each stage, adapting it to the needs of the client and considering all the dimensions of every investment: business case, technology and environment. This service comprises the following stages:

- **Conceptual and feasibility studies:** From the early stage of project development, the Group analyses all the dimensions of the investment. It studies the business case thoroughly, defines the most appropriate technology configurations, estimates the CAPEX and OPEX, build and run the financial model to study different operating scenarios, define the most appropriate execution strategy, identify the bankability risks and analyse the alignment of the project with existing environmental standards and taxonomies.
- **Front End Engineering Design (“FEED”) and Open Book Estimate (“OBE”):** 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.
- **Técnicas Reunidas uses value engineering procedures to identify sources of cost optimization and ways to minimize environmental impacts.** It compares the selected project technologies for each process with state of the art available technology and recommends those that are optimal. In addition, combining FEED and OBE allows to work jointly and transparently with customers to precisely define the total costs of a project.
- **Engineering, Procurement and Construction (“EPC”):** being the most recognized expertise of the Group, Técnicas Reunidas has executed EPC projects for the most important energy companies in challenging conditions, remote areas and tight execution schedules.

The Group delivers its plants on time and with high quality standards, structuring a dedicated team that considers commissioning and delivery requirements up front.

- **Technical excellence.** Técnicas Reunidas’ engineering and technological franchise is highly appreciated and demanded by its clients. The Group believes it has the technical capacity and proven experience to carry out the execution and design of highly sophisticated projects with a complex technological component. In its opinion, the number of contractors that are able to provide the services of the Group at a similar quality and with sufficient know-how, technological skills and experience is very limited. Furthermore, new entrants to the sector are currently limited in number and will take time to establish themselves in the market due to high barriers of entry.

Consolidating its headquarters in Spain as a centre of technological excellence. Técnicas Reunidas employs more than 7,000 people of more than 70 nationalities. Its employees are capable to work on cutting-edge projects whose success depends as much on technical skills and knowledge as on a corporate culture of adaptability and respect for all cultures, countries, regulations and disciplines. As a result, its teams are prepared to work on projects in which, at any given time, more than 50,000 people from all over the world, from different companies and from all types of disciplines may be involved, working together.

The competitive advantage that characterises Técnicas Reunidas is mainly due to the experience it acquires in the execution of its projects, and is reflected in the continuous updating of its technology. The people working at Técnicas Reunidas are capable of successfully managing and resolving highly complex technical challenges. Above all, they can envisage and respond to the main challenges currently facing our society, as it is the case of energy transition. They act in such a way since they are continuously training talented and dedicated team that firmly believes in the culture of knowledge transmission.

This technical excellence, the result of a combination of people, technology, methodology and innovation will be key for addressing the over demand foreseen in the industry in the coming years.

- **Ability to improve the Group’s margins.** Based on an analysis of the Group’s comparable competitors such as Maire Technimont or S.p.A or Petrofac Limited, the Group believes that demand for engineering and construction services in the oil and gas sector is going to increase provided that the number of competitors with sufficient know-how, technical skills and experience has been reduced in the past. As a result of the current demand-supply dynamics, the Group’s negotiating

position has improved recently. In addition, due to the Group's current strong positioning, it believes that it can develop a selective bidding strategy to reduce annual bidding costs, while focusing on the most commercially attractive projects. Lastly, the Group believes that its cost base is adequate to support large new projects and therefore any revenue increases in future periods should result in meaningful margin uplift. See "Industry Overview—Energy Services Outlook"

- *Sustainable business.* The management team has significant experience in the Group's areas of operation and has been instrumental in driving the growth it has experienced. The management team also has tools in place that should allow the Group to grow while keeping the risks associated with excessive growth at acceptable levels. The diversified business, with an extensive track record in projects with a large number of clients in a variety of markets and products, will allow the Group to be flexible and respond to changes in demand.

The Group also has extensive experience evaluating and managing the risks associated with turnkey contracts and it believes it has developed robust risk management procedures to limit its exposure to these risks. Furthermore, the infrastructure and industries division, which focuses on a relatively large number of smaller projects, has provided the Group with a source of relatively stable income.

The Group also creates alliances with competitors to collaborate on certain projects and has proven flexibility in the ability to work under many different contractual structures, in diverse geographical environments and in plants differing in nature. The Group believes it has the experience and skill to penetrate new markets. The constant adaptation to new environments is expected to facilitate the Group's rapid entry into technologies that require the transition to clean energy.

As of the date of this Prospectus there are no environmental factors that could affect the Group's use of tangible fixed assets.

The Group's Strategy

Specific steps that form part of the Group's strategy include the following:

- *Accelerate energy transition and industrial decarbonisation.* According to the Global Energy Perspective report from McKinsey dated April 2022, the huge investment wave that the energy industry is foreseeing for the next decade includes a yearly average of \$181 billion in decarbonisation technologies. These low carbon technologies include the full hydrogen value chain, biofuels and carbon capture and storage. Técnicas Reunidas is already active in this scenario providing its engineering services related to low carbon energies for major energy companies and infrastructure funds. See "*The Group's strategy for the energy transition and industrial decarbonisation*".

In this context, new opportunities arise for the Group. In addition to energy sector investments, other energy-intensive and carbon-emitting industries are going to pursue decarbonisation efforts. According to information from McKinsey, the steel, cement and chemical industries together represent 17% of carbon dioxide emissions. All these industries are expected to make efforts to decarbonize their value chains, which opens additional markets for the Group.

To address this new scenario and accelerate its positioning in decarbonisation and the low carbon energy supply sector, the Group has structured a new business unit. This business unit, named Track ("**Track**"), has the purpose of enhancing the capabilities of the Low Carbon Technologies segment and will channel and shape the services of the Group to meet the objectives and requirements of decarbonisation and the energy transition.

The needs of major emitters will bring new business models and additional addressable markets for engineering companies in the oil and gas industry. Track will help to accelerate the positioning of the Group in this new scenario and define new recurrent services.

At the same time, Técnicas Reunidas will continue delivering the services demanded by its long-standing clients to design and build plants with low carbon technologies. As of December 31, 2022, the Pipeline of energy transition opportunities followed by the Company associated with the Low Carbon Technologies segment amounts to €9.2 billion. See *Business—Backlog^{APM} and Pipeline*"

- *Reduce construction risk.* The Group emphasis on the quality of all its processes (which requires selecting the right suppliers and *subcontractors*) guarantees the execution of every project in accordance with clients' needs and requirements, especially with regards to sustainability aspects.

As the construction scope entails certain risks for the business, Técnicas Reunidas has pursued a de-risking strategy in the last two years. This strategy has resulted in three contracting strategies:

- (i) First, competing for contracts schemes with no associated construction risk. These could be EP contracts where there is no scope for construction at all, or an EPCm contract, where Técnicas Reunidas manages the construction scope, but it is not responsible for its price nor for the execution schedule. See "*Business—Contract Types*"
- (ii) Second, entering into LSTK Contracts that enable Técnicas Reunidas to get a deep and thorough knowledge of the project prior to proposing an EPC LSTK execution scheme. This include mainly projects where Técnicas Reunidas is awarded the Front End Engineering and Design contract, under which Técnicas Reunidas delivers a detailed engineering of the plant over a 12 month period. In this timeframe, Técnicas Reunidas obtains a deep knowledge of the project and associated risks for the construction stage. This fact allows Técnicas Reunidas to better price the project before proposing a LSTK contract.

Very recently, and increasingly, clients are entering into competitive FEEDs schemes, where they award to two or more engineering companies the FEED that ends in an LSTK Contract proposal. At the end of the FEED stage, the client awards the EPC LSTK contract to one of the engineering companies. This scheme allows the client to benefit from a competitive process and the engineering company to get a thorough knowledge to provide a trustable EPC price.

A variant from the FEED scheme is the FEED with an Open Book Estimate (OBE). Under an OBE scheme, the client and the engineering company work together to build the price of the full project. Costs of equipment, materials and services are shared transparently between both parts. At the end of the process, a pre agreed margin is added to the full cost and the whole project is wrapped under an LSTK Contract scheme.

- (iii) Third, partnering with other engineering companies and/or local construction companies. In the first case, the strategy allows getting additional bargaining power from the partners which are usually renowned competitors. Técnicas Reunidas has recently partnered with Technip, Samsung, Daewoo and Hyundai for the execution of different projects. When partnering with local construction companies, the construction scope is fully executed by a specialized local company. Having a dedicated partner for the construction scope usually reduces significantly the construction risk of a project.

- *Geographic repositioning.* The Group is already diversified in terms of geographies and products. Leveraging on its track record and market recognition, the Group is stressing its diversification into additional rising and less mature markets such as Northern Africa, Central Asia and North America and the industries such as chemistry, natural gas and energy transition. As an example, the projects awarded since January 2021 are well diversified among industries, geographies, clients and execution schemes. This diversification has resulted in a current Backlog^{APM} with a more balanced risk profile compared to the historical one. Moreover, the new energy and geopolitical landscape is bringing additional opportunities arising from the diversification of the current European energy supply from Russia, the new decarbonisation investment frameworks in Europe and the United States or the strength of the economies of Southeast Asia or the countries of the Commonwealth of Independent States ("**CIS**"), specially Kazakhstan, all of which are resulting in new prospects for the Group.

The Company expects that the strategy of Track, the business unit of the Group created with the purpose of enhancing the capabilities of the Low Carbon Technologies segment, will consolidate the positioning of Técnicas Reunidas in new markets such as steel or cement, and bring new recurrent services lines such as carbon and methane management that will diversify Company's revenue. (See "*Business— Decarbonisation and energy transition*").

- *Increase efficiency and digitalization.* The Group implemented different efficiency measures aimed at increasing its cost savings (the "**Efficiency Plan**"). The Efficiency Plan is divided in two initiatives: "**Transforma**" and "**Transforma²**". Transforma is focused on centralising the Group's procurement and efficiently managing human resources outside Spain. Under this program India was set the Group's main satellite engineering office. Transforma allowed the Group to save €140

million between 2019 and 2022. Transforma² is focused on increasing the Group's profitability by the following main drivers: reinforcing modularization and digitalization of our project operations, strengthening our project execution ensuring schedule accomplishment and promoting an early risk identification methodology in our activities.

- *Spanish technology hub development.* The Group's technology hub in Madrid, José Lladó Technology Centre, is where the Group carries out its main research and technological development projects. Research, development and innovation have been inherent in the Group's business from the beginning. The Group aims to consolidate the technology hub as the largest engineering excellence centre in Spain, attracting new talent, enhancing the collaboration with Spanish suppliers to boost exports and developing the Group's know how. "Know-how" is the Group's critical asset for future growth. Through the Group's many years of operation, it has acquired substantial know-how across multiple products with different clients across many different markets, and the Group believes that it provides it with a strong competitive advantage with respect to both new & existing competitors. The Group intends to continue to develop its knowledge base through the execution of new projects in across its different business divisions.

As of December 31, 2022, the Group's research and development costs amounted to €7,200 million (€7,100 million as of 2021).

Backlog^{APM} and Pipeline

Our Backlog^{APM} (awarded projects for which a contract has been signed) and our Pipeline (potential projects awards) are assessed on the basis of strict criteria. These criteria have been developed internally, are used solely for internal planning purposes and have not been verified by our independent auditors or any other third party.

The Group's definition and calculation of Backlog^{APM} and Pipeline may not necessarily be the same as that used by other companies engaged in activities similar to that of the Group. As a result, the amount of its Backlog^{APM} and Pipeline may not be comparable to the backlog and pipeline reported by such other companies.

The classification of the Group's projects into the Backlog^{APM} and Pipeline categories is updated periodically, assessing the progress and probabilities of each project. We believe our Backlog^{APM} and Pipeline are relevant indicators of our revenue generation capacity. However, there can be no assurance that the value of our Backlog^{APM} and Pipeline will be translated into revenue or, if translated, will result in profit. The value of our Backlog^{APM} and Pipeline is based on several assumptions at the time of assessing each of these actual or potential orders and is therefore subject to change and adjustments. See "*Risk Factors—The Group's Backlog^{APM} and Pipeline are based on internal projections and assumptions, subject to adjustments and cancellations and therefore may not be fully accurate indicators of the Group's future revenue or earnings and may be affected by the effectiveness of the Group's commercial action.*"

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}.

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) is 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 "*Analysis of Alternative Performance Measures—Backlog^{APM}*".

Backlog^{APM} projects may be subject to uncertainty, delays, cancellations, difference in the translation of the relevant foreign currency to euros, adjustments for changes in the scope of work to be performed or costs incurred and, as of any date, may not

be indicative of actual results of operations for any subsequent period. Backlog^{APM} at any point in time is affected by the timing of entry into new contracts. Additionally, there is no assurance that any pending or future projects will be completed or, if completed, that they will be completed on such same terms.

As a result, the assumptions the Group uses to calculate Backlog^{APM} may need to be updated, which in turn could have an effect on the Group's Backlog^{APM} estimates. Additionally, contracts for services are occasionally modified by mutual consent of the parties and may be cancelled or extended under certain circumstances by the clients. As a result, the Group's estimated Backlog^{APM} at any particular date is the best estimate at that moment of the future revenue of the company.

The following table sets forth information as of December 31, 2022 regarding our Backlog^(APM). The table includes information by country, contract value (*i.e.*, total amount of revenue under the contract including change orders and agreed claims corresponding to the Group) expected revenue (Backlog^{APM} amount), EPC progress, indication of funding sources (*i.e.*, client's own resources or client's external financing), currency, type of contract, existence of a partner for the development of the project and indication of Covid-19-related re-schedules for the most significant projects. The figures for projects denominated in foreign currencies are presented in euros once converted. Information regarding the remaining projects has not been provided ("**NP**") given its lower contribution to the overall Backlog^{APM}.

As of December 31, 2022										
(in millions of euros, except %)										
(unaudited)										
N°	Project	Country	Contract value	Backlog ^{APM}	EPC Progress ⁽⁵⁾	Financing	Currency	Type	Partner	Covid re-schedule
1.	Pemex II	Mexico	704.07	636.39	3.8%	Own resources	USD	EPC LSTK	No	No
2.	Duqm Refinery	Oman	1,868.39	68.22	93.2%	External financing	USD	EPC LSTK	Yes	Yes
3.	Haradh	Saudi Arabia	2,173.61	37.05	98.5%	Own resources	USD/SAR ⁽²⁾	EPC LSTK	Yes	Yes
4.	Bapco	Bahrein	1,453.05	176.72	88.4%	External financing	USD	EPC LSTK	No	Yes
5.	CRISP Exxon	Singapore	1,722.77	593.80	56.9%	Own resources	USD	FEED - EPC LSTK	No	Yes
6.	Marjan	Saudi Arabia	2,909.98	1,219.07	40.3%	Own resources	USD/SAR ⁽²⁾	EPC LSTK	No	Yes
7.	Adgas	United Arab Emirates	584.60	38.11	78.4%	Own resources	USD	EPC LSTK	Yes	Yes
8.	Bu Hasa	United Arab Emirates	1,415.70	116.45	89.7%	Own resources	USD	EPC LSTK	Yes	Yes
9.	Hassi Mesaoud (Phase I and II) ⁽¹⁾	Algeria	1,925.27	1,832.35	3.5%	Own resources	EUR/USD/DZD ⁽³⁾	EPC LSTK	Yes	No
10.	New Pta Complex	Turkey	580.09	38.25	77.7%	Own resources	EUR	Reimbursable	No	No

11.	EPC Orlen	Poland	1,346.83	887.88	26.8%	Own resources	EUR	FEED - EPC LSTK	Yes	No
12.	QATARGAS	Qatar	939.22	787.13	11.1%	Own resources	USD/EUR	EPC LSTK	No	No
13.	EPC YPF NEC	Argentina	244.98	139.99	25.6%	Own resources	EUR	EPCm	No	No
14.	DALMA EPC	United Arab Emirates	469.37	347.41	7.1%	Own resources	USD	EPC LSTK	Yes	No
15.	INEOS EPC	Belgium	180.75	160.67	5.1%	Own resources	EUR	FEED	No	No
16.	Ostroleka	Poland	282.96	262.65	9.4	Own resources	EUR	EPC LSTK	Yes	No
17.	QATAR PCK4	Qatar	436.87	402.73	7.8%	Own resources	USD/EUR	EPC LSTK	Yes	No
18.	Ceyhan	Turkey	520.00	520.00	0%	External financing	USD	FEED - EPC LSTK	Yes	No
19.	AMA	Netherlands	442.00	442.00	0%	External financing	EUR	FEED/ OBE- EPC LSTK	No	No
20.	CCC MÉRIDA	Mexico	130.98	108.23	21.8%	Own resources	USD	EPC LSTK	Yes	No
21.	CCC VALLADOLID	Mexico	206.37	177.66	21.8%	Own resources	USD	EPC LSTK	Yes	No
22.	CCC GLEZ ORTEGA	Mexico	169.11	146.71	21.8%	Own resources	USD	EPC LSTK	Yes	No
23.	CCC SL RÍO COLORADO	Mexico	171.95	147.62	21.8%	Own resources	USD	EPC LSTK	Yes	No
24.	Talara	N/P	3,024.69	18.20	N/P	N/P	N/P	N/P	N/P	N/P
25.	JIGCC	N/P	1,673.1	4.46	N/P	N/P	N/P	N/P	N/P	N/P
26.	Petronas	N/P	1,406.3	2.90	N/P	N/P	N/P	N/P	N/P	N/P
27.	Touat Gaz	N/P	889.23	0.0	N/P	N/P	N/P	N/P	N/P	N/P
28.	Gasco	N/P	630.91	0.71	N/P	N/P	N/P	N/P	N/P	N/P
29.	GT5 Kuwait	N/P	1,307.83	2.93	N/P	N/P	N/P	N/P	N/P	N/P
30.	KNPC Al-Zour	N/P	2,164.20	9.67	N/P	N/P	N/P	N/P	N/P	N/P
31.	Ras Tanura	N/P	1,450.79	2.08	N/P	N/P	N/P	N/P	N/P	N/P
32.	Socar Haor	N/P	557.83	6.49	N/P	N/P	N/P	N/P	N/P	N/P

33.	Socar Mercury	N/P	16.72	0.97	N/P	N/P	N/P	N/P	N/P	N/P
34.	Cofot	N/P	15.39	0.43	N/P	N/P	N/P	N/P	N/P	N/P
35.	Tuban	N/P	71.44	0.74	N/P	N/P	N/P	N/P	N/P	N/P
36.	Socar Haor D	N/P	53.46	2.34	N/P	N/P	N/P	N/P	N/P	N/P
37.	SWS Ras Tanura	N/P	81.39	9.70	N/P	N/P	N/P	N/P	N/P	N/P
38.	Turow	N/P	212.79	1.44	N/P	N/P	N/P	N/P	N/P	N/P
39.	Teeside	N/P	582.42	1.21	N/P	N/P	N/P	N/P	N/P	N/P
40.	Tierra Mojada	N/P	398.65	0.16	N/P	N/P	N/P	N/P	N/P	N/P
41.	Sewa	N/P	327.50	6.69	N/P	N/P	N/P	N/P	N/P	N/P
42.	Termocandelaria	N/P	194.31	8.02	N/P	N/P	N/P	N/P	N/P	N/P
43.	AST2 Nova	N/P	66.66	1.89	N/P	N/P	N/P	N/P	N/P	N/P
44.	Nova Field Services	N/P	5.92	0.68	N/P	N/P	N/P	N/P	N/P	N/P
45.	CBR Suncor	N/P	229.08	82.33	N/P	N/P	N/P	N/P	N/P	N/P
46.	Ac Sulf BioBio	N/P	100.47	30.72	N/P	N/P	N/P	N/P	N/P	N/P
47.	SAKARY AS	N/P	16.74	1.49	N/P	N/P	N/P	N/P	N/P	N/P
48.	Lukoil Feed ⁽⁴⁾	N/P	11.76	3.38	N/P	N/P	N/P	N/P	N/P	N/P
49.	INEOS WWTP	N/P	30.99	28.05	N/P	N/P	N/P	N/P	N/P	N/P
			36,399.6							
	Total	N/A	0	9,514.85	N/A	N/A	N/A	N/A	N/A	N/A

- (1) Backlog^{APM} includes the Hassi Messaoud project, which was suspended as a result of the Covid-19 Pandemic. The JV, comprising Samsung and Técnicas Reunidas, is exploring, together with the client, Sonatrach, how to relaunch the project and potential alternatives.
- (2) Saudi riyal
- (3) Algerian Dinar
- (4) The Company received in 2022 the relevant licences and authorisations from the Spanish State Secretariat for Trade under the Ministry of Industry, Trade and Tourism required to complete the residual pending activities of the project, which by its nature were in any case not subject to specific sanctions. As of December 31, 2022 there are works pending to be billed and collected in an amount of €3.38 million according to the contractual payment schedule.
- (5) EPC Progress refers to the physical development of the project, which is the indicator used by the Group to measure the progress in relation to each client. Consequently, the EPC Progress figure does not relate to the financial incurrence as a revenue of the Backlog^{APM} amount.

The following table sets forth information regarding the Backlog^{APM} projects recorded between December 31, 2022 and the date of this Prospectus:

Between December 31, 2022 and the date of this Prospectus										
(in millions of euros, except %)										
(unaudited)										
No	Project	Country	Contract value	Backlog ^{APM}	EPC Progress	Financing	Currency	Type	Partner	Covid re-schedule
1.	Kazazot	Kazakhstan	1,217.00	1,217.00	0%	External financing	EUR	FEED/OBE-EPC LSTK	No	No
	Total	N/A	1,217.00	1,217.00	N/A	N/A	N/A	N/A	N/A	N/A

On the foregoing basis, the Backlog^{APM} as of the date of this Prospectus amounts to €10,731.85 million and the Backlog^{APM} as of December 31, 2022 amounted to €9,514.85 million (€8,719 million as of December 31, 2021).

As of the date of this Prospectus, the Group estimates that 70% of the total Backlog^{APM} will be realised between 2023 and 2024 and the remaining 30% will be realised between 2025 and 2026.

The revenue generated by the Group's top five clients accounted for 61.92% of total revenue for the year ended December 31, 2022 (67% for the year ended December 31, 2021), while the revenue generation by clients that individually accounted for over 10% of total consolidated revenue for the year ended December 31, 2022 amounted to €1,742 million (€2,047 million for the year ended December 31, 2021). Likewise, the revenue generated by projects located in countries in the Middle East region accounted for 55.6% of total revenue in 2022 (75.5% as of December 31, 2021). The main clients of the Group include Sasa Olyester Sanayí, A.S.; Petroleos del Perú Petroperú, S.A.; GE Global Services GmbH.BR; and Aramco Overseas Company B.V. and YPF, S.A.

The main projects developed by the Group in the financial year 2022 in terms of revenue contribution were the Marjan project, located in Saudi Arabia, which accounted for 12.81% of the Backlog^{APM}; the EPC Orlen project, located in Poland, which accounted for 9.33% of the Backlog^{APM}; the CRISP Exxon project, located in Singapore, which accounted for 6.24% of the Backlog^{APM}; the Buhasa project, located in United Arab Emirates which accounted for 1.22% of the Backlog^{APM}; and the New Pta Complex project, located in Turkey, which accounted for 0.4% of the Backlog^{APM}. See "*Business—Backlog^{APM} and Pipeline*"

Pipeline

Pipeline is calculated by the Group as the Group's share of the estimated amount of potential revenue from projects for which the Group has issued offer proposals that have not yet been awarded or projects for which the group is analysing the advisability of submitting a proposal. The projects included in the Pipeline are not and may never be part of the Group's Backlog^{APM} since those projects could not reach its final execution and therefore not be awarded at all or, in the event that those projects reach final execution, could not be awarded to Técnicas Reunidas.

If and when a project is awarded or signed to the Group, we remove it from our Pipeline and record the euro value of the contract in our Backlog^{APM}, or remove it from our Pipeline without recording it in our Backlog^{APM} if the project is awarded to a company other than Técnicas Reunidas or is not awarded at all. Pipeline does not refer to awarded or signed contracts and, as such, does not reflect any revenue generating activity. Pipeline as of any particular date is not indicative of actual results of operations for any subsequent period.

On the foregoing basis, the Pipeline as of the date of this Prospectus amounts to €70,044 million and the Pipeline as of December 31, 2022 was €69,473 million (approximately €45,000 million as of December 31, 2021). For each project included in the Pipeline, the Group assesses the probability of that project being awarded to the Group and therefore converted into Backlog^{APM}. As of December 31, 2022 the Group estimated that out of the total Pipeline at that date, approximately 12.5% will be awarded to the Group and converted into Backlog^{APM}, which would take place between 2023 and the first quarter of 2024.

The following table sets forth information regarding our Pipeline (*i.e.*, total amount of the contract potentially corresponding to the Group if the projects were awarded to it) projects by segment and by region as of December 31, 2022. It is also indicated, for

each segment and region, the expected time (first or second half (“H1” or “H2”) of the years 2023, 2024 and 2025 or later) in which this projects would be awarded:

As of December 31, 2022; classified by expected award date							
(in millions of euros, except %)							
(unaudited)							
	Total ⁽¹⁾		H1 2023	H2 2023	H1 2024	H2 2024	2025+
Refining	14,820	21%	10	10,810	4,000	-	-
Petrochemistry	23,337	34%	4,226	8,400	10,710	1	-
Natural gas	20,205	29%	10,160	6,645	3,400	-	-
Low carbon technologies	9,182	13%	284	2,322	4,575	1,800	201
Other	1,930	3%	1,910	20	-	-	-
Total	69,473	100%	16,589	28,197	22,685	1,801	201

As of December 31, 2022; classified by expected award date							
(in millions of euros, except %)							
(unaudited)							
	Total ⁽¹⁾		H1 2023	H2 2023	H1 2024	H2 2024	2025+
Middle East	34,400	50%	7,359	17,030	10,010	1	-
Latam	3,375	5%	1,656	1,170	550	-	-
Europe	9,225	13%	3,827	2,372	1,425	1,400	201
North America	3,165	5%	165	1,000	2,000	-	-
Asia Pacific	14,077	20%	377	4,600	8,700	400	-
Row	5,231	8%	3,206	2,025	-	-	-
Total	69,473	100%	16,589	28,197	22,685	1,801	201

⁽¹⁾ Contract value amount.

The Group's Business Divisions

The Group operates in a constantly changing environment, marked by rising energy demand in rising countries, continuous adaptation to new environmental standards and the evolving needs of refineries towards more complex and profitable configurations.

Traditionally, and in the 2021 Audited Consolidated Financial Statements and the 2020 Audited Consolidated Financial Statements, the Group has concentrated its business in three operating large segments: (i) Oil and gas, (ii) Power and (iii) Other industries.

Nevertheless, from 2020 onwards, the Company's management started to implement, alongside the traditional segmentation, a redesigned segmentation aimed at (a) reflecting the insights on the business activities of the Group in a more appropriate and comparable way to peer companies in the sector; and (b) reflect the enhanced positioning of the Group in energy transition technologies. This new segmentation, which is included in the 2022 Audited Consolidated Financial Statements, comprises the following operating segments: (i) Refining, (ii) Natural Gas; (iii) Petrochemistry; (iv) Low Carbon Technologies; and (v) Others.

In each of these divisions, the Group offers its clients a broad range of engineering and construction services for industrial facilities, from feasibility studies or basic and conceptual engineering to complete performance of large and complex turnkey projects including detailed engineering, management of supply, commissioning, start-up and training.

Refining

Business and Positioning

The Refining segment provides control, management, engineering, procurement, construction, and commissioning of facilities throughout the value chain for fuels production meeting the highest specifications (Euro V/Euro VI). These facilities allow the Company's customers to produce clean and high-quality fuels, optimizing the use of natural resources while contributing to the fulfilment of the United Nation's Sustainable Development Goals. In addition, the Group has an extensive experience in designing and constructing these plants, which have the most advanced technologies in refining processes.

The knowledge of the facilities and their operation allows the Group to offer the possibility of upgrading its customers' existing plants with the aim of improving their efficiency and contributing to the fulfilment of sustainability, decarbonisation and emission reduction commitments. Similarly, this line allows the Group's customers optimizing the use of natural resources, thus reducing the unit carbon footprint of the products it produces.

The Group has delivered more than 560 units of clean fuels across the globe, applying its know-how and optimizing carbon emissions and expenses during the operating stage of the plants. Units designed and constructed by the Group include basic refining, desulfurization, deep conversion, octane enhancement units, hydrogen production, and sulphur removal units. In addition, the Group is closely monitoring future hydrogenation projects for vegetable oils, for the production of clean fuels as well.

Principal Projects

Revenue from the Refining segment was €1,425,936 thousand for the year ended December 31, 2022, which represented 33.7% of the Group's consolidated revenue for such period, and € 1,228,460 thousand and €1,649,627 thousand for the years ended December 31, 2021 and 2020, respectively, which represented 43.8% and 46.9% for the years of the Group's consolidated revenue for such periods, respectively. The principal projects undertaken over the last year in this segment and which are included in the Backlog^{APM} are:

As of December 31, 2022

Downstream			
Project	Country	Client	Contract value (€ million)
Bapco	Bahrein	BAPCO	1,453.05
Duqm Refinery	Oman	DRPIC	1,868.39
Ac Sulf BioBio	Chile	Enap	100.47
CRISP Exxon	Singapore	Exxon Mobil	1,722.77
EPC YPF NEC	Argentina	YPF	244.98
KNPC Al-Zour	Kuwait	KNPC	2,164.20
Petronas	Malaysia	Petronas	1,406.33
Ras Tanura	Saudi Arabia	Saudi Aramco	1,450.79
SWS Ras Tanura	Saudi Arabia	Saudi Aramco	81.39
Socar Haor D	Azerbaijan	SOCAR	53.45

Natural Gas

Business and Positioning

The Natural Gas segment provides control, management, engineering, procurement, construction, and commissioning of gas facilities throughout the whole supply chain, from natural gas production to regasification terminals and natural gas fuelled power generation plants.

Natural gas is the cleanest fossil fuel playing a key role in making progress in energy transition and decarbonisation targets. This energy resource will allow transiting to renewable energies to be smooth until low-carbon alternatives become accessible to all economies.

Renewable energies need to have alternative sources for intermittent periods and ensure supply during peak demand.

Advanced natural gas technologies are an optimal solution to these challenges. In addition to significantly reducing carbon dioxide emissions, this fuel decreases the presence of other polluting particles such as sulphur and nitrogen oxides.

The Group has designed and built all kinds of facilities across the globe, from production facilities in natural gas fields to treatment and processing plants, compression stations, liquefaction, storage tanks and final regasification facilities and natural gas fuelled power plants. The Group's designs apply the highest standards and technologies to reduce methane emissions throughout the value chain.

Principal Projects

Revenue from the Natural Gas segment was €1,632,121 thousand for the year ended December 31, 2022, which represented 38.6% of the Group's consolidated revenue for such period, and €1,037,212 thousand and €1,317,361 thousand for the years ended December 31, 2021 and 2020, respectively, which represented 37.0% and 37.4% for the years of the Group's consolidated revenue for such periods, respectively. The principal projects undertaken over the last year in this segment and which are included in the Backlog^{APM} are:

As of December 31, 2022			
Power			
Project	Country	Client	Contract value (€ million)
CBR Suncor	Canada	Suncor	229.08
CCC GLEZ ORTEGA	Mexico	CFE	130,98
CCC MÉRIDA	Mexico	CFE	206,37
CCC SL RÍO COLORADO	Mexico	CFE	169,11
CCC VALLADOLID	Mexico	CFE	171,95
Ostroleka	Poland	Orlen/GE	282.96
Sewa	United Arab Emirates	Sumitomo/GE	327,50
Termocandelaria	Colombia	Termocandelaria	194,31

As of December 31, 2022			
Upstream			
Project	Country	Client	Contract value (€ million)
Adgas	United Arab Emirates	ADNOC LNG (ADNOC 70%, Mitsui 15%, BP 10%, Total 5%)	584,60
DALMA EPC	United Arab Emirates	ADNOC	469.37
Haradh	Saudi Arabia	Saudi Aramco	2,173.61
Marjan	Saudi Arabia	Saudi Aramco	2,909.981

As of December 31, 2022

QATAR PCK4	Qatar	Qatargas	436.87
QATARGAS	Qatar	Qatargas	939.22

Petrochemistry

Business and Positioning

The Petrochemistry segment of the Group designs and builds petrochemistry complexes by applying the most advanced technologies. Not only the projects are performed from scratch, but petrochemistry processes and units are integrated into existing refineries to improve their energy efficiency and reduce the use of resources.

The petrochemistry industry is evolving towards more sustainable models, reducing its own carbon footprint and, thanks to its products, also the footprint of the industries using them. Petrochemistry derivatives are numerous and widely present, and their demand is expected to grow in the coming decades, especially in developing countries. As a result, these derivatives will be key to ensuring social and economic progress.

These products facilitate supply of drinking water, development of the pharmaceutical industry, prolong food and beverages life cycle, improve insulation of buildings, contribute to the deployment of wind and solar energy, and reduce fuel consumption by lightening the weight of the tires of the main means of transport, among others.

Petrochemistry operations are being integrated into clean fuel plants, contributing both lines of business to the efficient and optimal consumption of natural resources.

Based on its wide international experience, Técnicas Reunidas has built 100 petrochemistry processing units for many world's leading international petrochemistry companies. These units include processes for the entire value chain of ethylene, polypropylene and its derivatives, aromatics, urea, and ammonia.

In addition, the Group has various advanced technologies for nitric acid, ammonium nitrate, mono- and diammoniumphosphate and NPK fertilizers.

This line of business is evolving and there is a growing number of petrochemistry plants using organic raw materials to produce their derivatives. Together with these resources, natural gas will become a fundamental input for industry, which will help to decarbonize the processes necessary to produce petrochemistry products.

Principal Projects

Revenue from the Petrochemistry segment was €842,556 thousand for the year ended December 31, 2022, which represented 19.9% of the Group's consolidated revenue for such period, and €283,732 thousand and €46,493 thousand for the years ended December 31, 2021 and 2020, respectively, which represented 10.1% and 1.3% for the years of the Group's consolidated revenue for such periods, respectively. The principal projects undertaken over the last year in this segment and which are included in the Backlog^{APM} are:

As of December 31, 2022

Downstream			
Project	Country	Client	Contract value (€ million)
EPC Orlen	Poland	Orlen	1,346.83
Tuban	Indonesia	Pertamina/Rosneft	71.44
New Pta Complex	Turkey	Sasa Polyester	580.09

Low Carbon Technologies

Business and Positioning

The Low Carbon Technology segment comprises three lines of business: (i) Hydrogen; (ii) Carbon Capture and Storage; and (iii) Circular Economy

- *Hydrogen*

Through this line of business, the Group actively participates by offering solutions for the different types of hydrogen, helping its customers in the integration of this element in their production processes with storage solutions or mixing it with existing gas networks.

The Group actively participates in the structuring of green hydrogen projects (produced through the electrolysis of water with renewable energies), blue hydrogen (produced through the capture of carbon in the reforming of natural gas) and green ammonia from green hydrogen.

Depending on its production process, it is classified by colour, considering blue (grey hydrogen with carbon capture and storage), green (by electrolysis of water with renewable energy) and pink (electrolysis of water with nuclear propulsion) as means of production of low-carbon hydrogens.

The Group designs and builds hydrogen units in refining processes for hydrotreating clean fuel production streams and has experience working with hydrogen at high pressure and temperature. It also collaborates with other companies in the development and scaling of various water electrolysis technologies for the production of hydrogen.

- *Carbon Capture and Storage*

The Carbon Capture and Storage line or CCS line helps energy intensive industrial companies such as the steel, chemical, cement, and paper industries reduce carbon emissions from their assets. High-intensity industrial installations are complex, with space and operational limitations that make it difficult to install new processes. Faced with these challenges, the Group accelerates the energy transition of its customers towards a zero-emission future by implementing carbon capture technologies in their industrial processes. Once captured, carbon dioxide is either permanently stored or subsequently converted into synthetic fuels.

The market outlook is positive as one-fifth of global carbon dioxide emissions come from industrial-intensive sectors and according to the International Energy Agency, the CCS will contribute 15 % of the total emissions reduction by 2050.

The Group has experience in this field thanks to the design and construction of amine facilities, one of the technologies used to capture and store carbon. The Group has already built these facilities for the treatment of acid streams in natural gas processing plants and refineries. In addition to these types of sites, the Group plans to incorporate these types of installations on a recurring basis in the combined cycle power generation plants it runs for its customers.

- *Circular Economy and Bioproducts*

Within this line of business, the Group provides services to produce biomethane and convert biomass and waste into fuels (biodiesel and bio-kerosene), chemicals and the generation of energy and steam.

Bioenergy has a key role to play in reducing carbon emissions. Within this line, a biomass stands out - a resource replacing fossil raw materials in the energy sector and refining and petrochemistry processes, and which generated electricity already plays an important role as a renewable energy source in the energy mix.

As for refineries, they are being increasingly included in the production processes of biofuels for aviation, maritime transport, and heavy trucks. Regarding its use in petrochemistry plants, biomass replaces fossil fuels in the production of bioethylene, bio-methanol and bionaphtha.

Another important resource is biomethane since it can be mixed with natural gas systems in existing plants and infrastructures, as well as in combined cycle power plants. The use of biomethane and its mixture with natural gas allows to

reduce the carbon content of the systems. In addition, it is used as fuel for vehicles that run on natural gas, both light and heavy.

Principal Projects

Revenue from the Low Carbon Technologies segment was €5,716 thousand for the year ended December 31, 2022, which represented 0.1% of the Group's consolidated revenue for such period, and €481 thousand and €0 thousand for the years ended December 31, 2021 and 2020, respectively, which represented 0.02% and 0.0% for the years of the Group's consolidated revenue for such periods, respectively. The principal projects undertaken over the last year in this segment and which are included in the Backlog^{APM} are:

As of December 31, 2022			
Downstream			
Project	Country	Client	Contract value (€ million)
AMA	Amsterdam	GI Dynamics - AMA	442.00

For additional information about the principal projects undertaken over the last year in this segment see “Decarbonisation and energy Transition—Achievements to date”.

Others:

Business and Positioning

This segment provides project steering, management, engineering, procurement, construction and commissioning services for facilities related to activities outside of the business lines of the Group. The main activities involve water treatment, port infrastructures and oil production. This segment also includes those projects whose completion was not achieved as a result of client termination through the execution of guarantees. The purpose of this inclusion is to avoid distorting the analysis of the remaining segments.

Principal Projects

Revenue from the Others segment was €327,041 thousand for the year ended December 31, 2022, which represented 7.7% of the Group's consolidated revenue for such period, and €256,154 thousand and €507,109 thousand for the years ended December 31, 2021 and 2020, respectively, which represented 9.1% and 14.4% for the years of the Group's consolidated revenue for such periods, respectively. The principal projects undertaken over the last year in this segment and which are included in the Backlog^{APM} are:

As of December 31, 2022			
Upstream			
Project	Country	Client	Contract value (€ million)
Bu hasa	United Arab Emirates	ADNOC ONSHORE	1,415.70

Competition Environment

The competitive environment for projects related to refining, petrochemistry and natural gas has remained very similar for the last 10 years. Large and renowned engineering companies, mainly from Europe and Korea, are competing with Técnicas Reunidas for the projects under different execution schemes (lump sum or reimbursable projects for scopes including part or the full value chain: engineering, procurement and construction).

Main competitors include European companies like Technip Energies, Maire Tecnimont, Petrofac, Saipem; Korean companies like Hyundai, Samsung or Daewoo; Japanese companies like Chiyoda and JGC and Northamerican companies like Fluor or Kiewitt. As stated below, occasionally competitors become partners for the execution of specific projects.

In the last five years, two main new schemes demanded by clients have resulted in a reduction of fierce competition:

- (i) The execution of competitive FEEDs that end in an EPC scheme. In this scheme, the company executing the competitive FEED gets a thorough knowledge of the project which reduces the risks and contingencies in the EPC execution stage. Examples of this scheme for Técnicas Reunidas are the Exxon project in Singapore and the Orlen project in Poland.
- (ii) The execution of EPC projects through partnerships of two or more companies. This scheme results in a reduction of competitors, a more balanced approach within each partnership in the tender stage and a reduction of execution risk in the EPC stage. Examples of this scheme are the BAPCO project, where Técnicas Reunidas is partnering with Technip and Samsung or the Duqm project, where Técnicas Reunidas is partnering with Daewoo.

For projects related to low carbon technologies, most of the prospects in the market are currently in an early stage development. Even in this stage, investors are keen in having a comprehensive view of the overall execution of the project. Therefore, they rely preferentially in the capabilities of engineering and construction companies that execute the large energy projects today, which is an attractive scenario for Técnicas Reunidas.

With respect to combined cycle plants, the Group typically do not encounter significant direct competition in Spain, aside from of the internal engineering units at some of the players in the power market. Instead, the company providing the BOP for the facilities usually encounters competition. The technology behind a BOP can differ depending on the manufacturer, of which there are four: General Electric, Mitsubishi, Alstom or Siemens, and those companies compete with each other. In the Group's case, it acts as a technology partner for the design and supply of the balance of plant and construction and assembly of the overall facilities.

The Group's strategy for the energy transition and industrial decarbonisation

Decarbonisation and the energy transition

The energy industry is foreseeing a huge investment wave in this decade. According to data from the Global Energy Perspective report from McKinsey dated April 2022, the investment in energy assets will reach \$10.7 trillion from 2023 to 2030, an average of \$1.3 trillion invested per year. The investment in decarbonisation projects, which apply decarbonisation technologies, will reach \$1.4 trillion between 2023 and 2030, a yearly average of \$181 billion. As a reference, these figures are higher than the investments foreseen for the same period for natural gas (\$1.2 trillion) or conventional power generation (\$1.1 trillion).

The Group is already delivering engineering services (feasibility studies and FEEDs) related to energy transition technologies for major energy companies and infrastructure funds.

In addition to energy sector investments, other energy-intensive and carbon-emitting industries are going to pursue decarbonisation efforts. According to the Global Energy Perspective report from McKinsey, the steel, cement and chemical industries together represent 17% of the carbon dioxide emissions. All these industries are going to work hard to decarbonize their value chains, mainly their industrial operations. And these are additional opportunities for the Group.

The opportunity for the Group

To address the opportunities arising from this new scenario the Group will use Track to benefit from the opportunities around decarbonisation and the energy transition. Track will channel and shape the capabilities of the Group to meet the objectives and requirements of decarbonisation.

Track will help to accelerate the positioning of the Group in this new landscape and, at the same time, define new recurrent services with double digit margins while the Group will continue delivering the services demanded by its long-standing clients to design and build plants with low carbon technologies.

As of December 31, 2022, the Pipeline of energy transition opportunities followed by the Company associated with the Low Carbon Technologies segment amounts to €9.2 billion.

The products

The Group and Track will build the energy transition offering around the following products:

- Technologies associated with the hydrogen value chain:

Large investment amounts are being announced around the hydrogen value chain. These cover both the production of green hydrogen from electrolyzers powered by renewable electricity and the production of blue hydrogen by natural gas reforming associated with carbon capture units.

The investments will cover the main applications of hydrogen, such as its injection in natural gas transport and distribution grid, the electricity production with gas turbines adapted to partial hydrogen/ammonia combustion, the production of green ammonia, for its use in the fertilizers industry or as a low-emission fuel in maritime transportation and for the production of e-fuels.

- Bio-products production technologies based on circular economy schemes:

As with hydrogen, large sums are going to be invested in circular economy schemes. Technologies and business models are being developed to convert household, commercial and industrial waste or agricultural and forestry residues into biofuels (biodiesel or sustainable aviation fuel) and biochemicals (bioethanol and biomethanol).

Biomethane directly produced from organic waste or as a by-product of other circular economy processes is going to be a major substitute of natural gas.

- Carbon capture technologies:

In energy-intensive industries that do not have solid alternatives for decarbonizing their industrial processes, the most feasible solution is to implement carbon capture units. These plants capture the carbon dioxide emitted at different points in the production processes. The captured carbon could be used for use as feedstock in e-fuels or be liquefied and permanently stored in purpose-built sinks.

- Methane management:

Whilst methane is ranked fifth in absolute terms of equivalent tons of carbon dioxide emissions, one ton of methane emitted has 84 times more impact in global warming than one ton of carbon dioxide during the first 20 years. It is estimated that methane emissions are responsible for a third of global warming.

Governments are intensifying their efforts to regulate and penalize methane emissions. Major oil and gas companies are announcing commitments to reduce methane emissions and are taking voluntary steps to integrate methane management in their operations and prevent leaks across the entire gas value chain.

The services

The traditional Group's range of services covers all stages of the development of a project.

The Group is already successfully offering these traditional services for low carbon technologies. The Group considers that there will be a significant increase in the demand of these type of services, as there is an over demand of specialized engineering capacity in these technologies.

In addition to these services, Track is building new capabilities to accelerate the positioning of the Group in decarbonisation technologies.

- Project development and structuring:

Most of the low carbon technologies lack an operating track record, and the new business models associated to this new low carbon scenario are not yet mature.

To cover these shortcomings, Track expands the traditional range of the Group services with project structuration services. Project structuration includes the analysis and shaping of the investment opportunity from all its dimensions: performing market and business analysis, conducting technical assessments, contracting of operation and maintenance activities, searching for financing channels, obtaining permits, undertaking the socialization of the project, among others.

Once the appropriate degree of soundness has been reached, Track introduces the project to different stakeholders that will further consolidate it. These include, among others, governmental authorities, industrial customers, plant operators, or

investors in energy infrastructures. The access to the project includes the acceptance of its execution by the Group under a de-risked EPC scheme.

- New recurrent services:

The energy transition represents a unique opportunity for the development of new recurrent services. Track has identified two new business lines that it is already building:

- *Carbon management for large industrial customers:*

For some energy-intensive industrial customers, carbon capture could represent the only way to fully decarbonize their operations. However, for these companies, carbon capture is a new technology to deal with and carbon a new by product that needs a final destination.

To facilitate the implementation of these units by these large emitters, Track is developing an end-to-end service through which Track would take over the complete management of carbon capture in exchange for a recurrent fee.

The Group believes with this service, in addition to executing the EPC of the capture unit by the Group, Track would secure a recurring line of revenue.

- *Methane emissions management:*

Many of the methane emissions are avoidable with proper management of the assets in the value chain.

Track is building a new end-to-end service in methane emissions management that will identify and quantify methane emissions, prioritize the implementation of methane emission mitigation measures and track and control the success of the overall methane management framework.

The Group believes with this service, Track would secure a recurring revenue stream.

- Technology development and scaling:

The Group's engineering and technical capabilities, its experience in project execution and implementation of technologies in industrial environments attract promoters of energy transition-oriented technologies who want their technological proposals to reach industrial scale.

With the support of the Group's experts, Track is helping investors and technology developers to define and move forward in technical road maps for scaling up low carbon technologies to reach industrial scale.

The geographies

For the energy transition, Track will prioritize those markets that have established attractive investment scenarios for low carbon technologies.

In this regard, the United States, with the recently approved Inflation Reduction Act, represents the most appealing geography for the development of projects with low carbon technologies. Técnicas Reunidas is already implementing a dedicated team for project structuration in the United States with the goal of taking full advantage of this new attractive scenario for investment in a low carbon energy supply.

Canada has also an attractive environment for clean energy investments. Hydrogen and carbon capture have attractive incentives and regulatory support that will drive the development of decarbonisation projects.

Europe, with its Fit for 55 initiative, has been the first mover in settling decarbonisation as the reference energy supply scenario for its economy. Strong incentives and financial packages have been approved and it is expected that the new IRA could result in a reinforced and simplified support for European investments in low carbon technologies and projects.

Other target markets will be the traditional geographies of the Group, like the Middle East, Latin America and Southeast Asia.

Building up Track: partnership with McKinsey

The Group has reached an agreement with the business consultancy company McKinsey to accelerate the growth of Track in the low carbon energy sector. McKinsey will support the growth of Track through its Green Building Business practice. This collaboration will speed up the time to market the industrial proposal of Track and improve its positioning and access to new geographies and industries.

This partnership will have a special focus in the United States. Track will leverage its access to the global decarbonisation Hub of McKinsey in Houston to reinforce and shape its new business model proposition that will be exported to other geographies.

Achievements to date

Técnicas Reunidas and Track are already achieving significant developments in the execution of projects related to the energy transition. The following exhibits provide a list of references of recent projects in low carbon technologies.

These projects are related to the following two categories:

- Engineering services for industrial and infrastructure sponsors, in which the Group is helping its clients in shaping the projects for optimizing the sponsor's investment case. For some of these projects, the sponsor could decide not to execute it and would not represent an additional opportunity for Group. As of the date of this Prospectus, the Group's Pipeline in relation to this category, which is included in the Low Carbon Technologies segment, amounts to, approximately, €11 million.
- Early stage engineering services of projects that could be converted into some of the delivery schemes executed by the Group. The estimate of the contract value for the Group of the subsequent stage is included in the Pipeline. If the project is awarded, it would be removed from the Pipeline and included in the Backlog^{APM}. The typical execution timeline for this type of projects ranges between 24 and 30 months. As of the date of this Prospectus, the Group's Pipeline in relation to this category, which is included in the Low Carbon Technologies segment, amounts to, approximately, €63 million.



Hydrogen

Main achievements to date

Complete

On going



ACCIONA – ENAGAS Spain

Green hydrogen 2.5 MW PEM electrolyzer

Engineering, procurement management and construction supervision

- H₂ for transport refueling stations
- H₂ storage and blending into national gas network
- Power and heat generation in buildings

HYDEAL Spain

Green Hydrogen 500 MW alkaline electrolyzer

Developing Pre-FEED in “Cap to Beat” scheme

- Largest European hydrogen development
 - PV plant and electrolysis production complex
 - Hydrogen compression for grid injection

CONFIDENTIAL Spain

Green Hydrogen 100 MW alkaline electrolyzer

Conceptual design and pre – FEED for 1st location

- IOC refining operator
- Hydrogen for refinery integration, mobility and natural gas grid blending
- Replicable facility

CONFIDENTIAL Spain

Green Hydrogen 500 MW electrolyzer

Technology selection and FEED

- Hydrogen development for blending with distributed natural gas and fertilizers production

HYDROGEN BASQUE CORRIDOR Spain

Green Hydrogen

Development of hydrogen value chain

- SOEC electrolyzer factory, fuel cells, hydrogen transportation

Engineering services for more than **1 GW OF GREEN H₂**

CONFIDENTIAL USA

Green Ammonia 2700 MTPD

Pre-feasibility study and technology selection

- Green hydrogen 1.7 GW of electrolysis and green ammonia production plant



CONFIDENTIAL Spain

Green Ammonia 460 MTPD

Project development

SHINEFLEET Spain

Blue hydrogen Technology development

Blue hydrogen technology development for heavy-duty autonomous fleets

ZEPELIN Spain

Green hydrogen Technology research

to produce non electrolyzer green hydrogen and new hydrogen storage materials

ELECTROLYZER Spain

Hydrogen Development

of a 20 MW, multi-stack, alkaline electrolyzer with state-of-the-art innovations

CONFIDENTIAL Spain

Green Ammonia 300 MTPD

Pre-FEED and CAPEX +/- 30%





Circular economy and bioproducts



Main achievements to date

Complete → On going

**GI Dynamics – AMA
Amsterdam**

Bio methanol from waste
90 ktpy capacity

FEED

- Conversion of domestic waste and woody biomass into methanol
- Methanol will fulfil the demanding regulations of advanced biofuels

**CONFIDENTIAL
Spain**

Bio methanol from waste
300.000 m3/year capacity

**Early contractor
involvement**

- Technology from project sponsor
- Designing a feasible plant for constructability, construction, planning and estimation
- Refused derived fuel as feedstock



**SWISSZINC
Zincex™ and Ecolead™
Metals recovery
Use of proprietary
technology**

to recover metals from 40
ktpy ashes of incinerated
solid waste

**ZAR Foundation
Phos4live™
Phosphorous recovery
Use of proprietary
technology**

to recover phosphorus from
40 ktpy of sewage sludge

**PLASTIC TO OLEFINS
Plastics recycling
Technology development
and escalation**

Plastics recycling process
based on high temperature
pyrolysis

**CONFIDENTIAL
Spain
Bio ethanol 2G
Two plants
Project development**



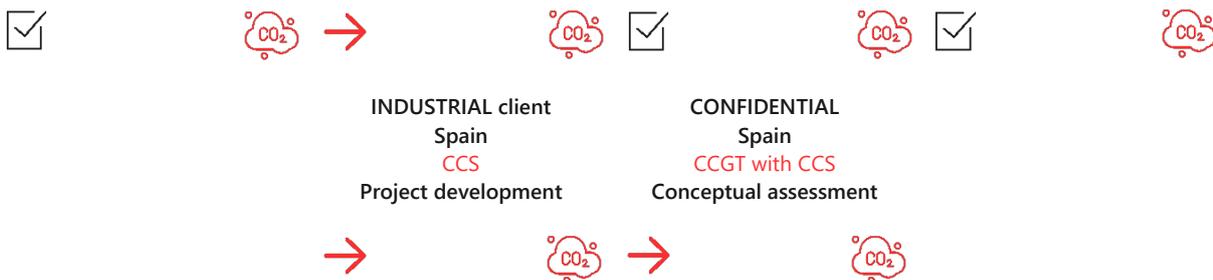


Carbon Capture, Use and Storage (CCUS)

Completed → On going

Main achievements to date

SSE England, Scotland Two CCGT with CCS Pre – FEED	SSE Peterhead, Scotland 800MW CCGT with CCS Full FEED 1st Phase	REPSOL Spain Blue hydrogen Feasibility study and technology selection	ENCE Spain Biomass to power with CCS Feasibility study and cost estimate
<ul style="list-style-type: none"> Assessment of a potential carbon capture unit at two combined cycle power plants Gas treatment capacity of 29 million tpy each 2.2 million tpy of carbon captured each Carbon recovery rate: 95% 	<ul style="list-style-type: none"> 1st phase FEED services for carbon capture unit at combined cycle power plant Gas treatment capacity of 29 million tpy 2.2 million tpy of carbon captured Carbon recovery rate: 95% 	<ul style="list-style-type: none"> Engineering services for pre and post combustion carbon capture units in a refinery hydrogen production process Gas treatment capacity of 3.4 million tpy 0.9 million tpy of carbon captured Carbon recovery rate: 95% 	<ul style="list-style-type: none"> Biogenic carbon capture in biomass power plant Gas treatment capacity of 3.3 million tpy 0.7 million tpy of carbon captured Carbon recovery rate: 90%



Recent achievements of the Group and Track in the energy transition landscape include:

- Delivery of a €8 million in engineering services already executed or under execution: conceptual assessments, feasibility studies, proof of concepts, basic engineering, front end engineering and design services for hydrogen and ammonia projects, carbon capture and biofuels. There are several national and international oil and gas companies and large infrastructure funds among the clients of these services.
- Project structuration: Track is already structuring the following projects:
 - Second generation bioethanol project in Spain:* a €225 million project aimed at producing bioethanol from forest and agricultural waste. Biomethane and bioethanol will also be produced as by products. The project is gathering the attention of oil and gas companies as offtakers, large infrastructure investors and large operating and maintenance companies. The project is expected to reach FEED stage in the second quarter of 2023.
 - Green ammonia project in Spain:* a €175 million project for producing green ammonia from green hydrogen. The green ammonia will be used in fertilizers production and as low carbon fuel for maritime transportation. The project is expected to reach the FEED stage in the last quarter of 2023.
- Methane management: Track is already providing its first methane management services, with the definition of a methane management framework for the operations of an international oil company in Oman.
- Scale up and value enhancement of low carbon technologies: the Group is developing several circular economy technologies. Particularly, the recovery of phosphorous from sewage and incineration ashes is getting an attractive traction in Central European countries. The Group has a proprietary technology that is being recognized as the reference benchmark

for solving this recycling challenge. The Group is also executing research and development projects related to technologies that involve the recovery and processing of rare earths and critical minerals, among others.

Energy transition financing framework

The Group has designed a specific framework to finance its activities associated with decarbonisation and energy transition. This framework, which constitutes a key instrument to support the Group's efforts towards climate transition, has been called Harvest, and is a forerunner in the sector. It has been designed together with Enea Consulting, an international consulting firm with expertise in energy transition and has followed, when relevant and feasible, the International Capital Markets Association's ("ICMA") Climate Transition Finance Handbook (the "**Harvest Framework**"). With the Harvest Framework, Técnicas Reunidas wants to gather the attention of the financial industry on the transformation of its business, which will increasingly be targeted towards chemical, natural gas and low carbon technologies.

In order for a project to be included as part of the Harvest Framework and thus benefit from the financing issued thereunder, each project must undergo an eligibility analysis based on the relevant international criteria such as: the European Union Taxonomy, the European Investment Bank Lending Policy and the ICMA Climate Transition Finance Handbook. In addition, the selected projects will be reviewed annually by a committee in charge of the energy transition strategy in order to assess the alignment of those projects with the eligibility criteria and to ensure they continue to comply with the Harvest Framework.

The Group will use the Harvest Framework to measure its progress in its decarbonisation strategy and its commitment to the objectives of the Paris Agreement based on specific indicators that will be updated on an annual basis. Additionally, the investor services firm Institutional Shareholder Services (ISS-ESG) has provided an independent second party opinion on the alignment of the Harvest Framework with the Group's energy transition strategy, the alignment of the Harvest Framework with the ICMA's Climate Transition Finance Handbook and the eligibility of the project categories falling under the scope of the Harvest Framework.

Likewise, the Group will review the Harvest Framework on a regular basis, including its alignment to any transition financing standards, and will update it as applicable after it has been approved by an external consultant.

By business area, Harvest's eligible projects can be found in the following areas:

- Natural Gas - decarbonisation projects in favour of natural gas.
- Hydrogen - projects that include hydrogen as an energy source in the industrial sector.
- Bio Energy - decarbonisation projects in favour of biomass.
- CCS (carbon capture and storage) - is currently the only large-scale mitigation option available to make deep emission reductions in industrial sectors such as cement, iron and steel, chemicals and refining.

As of December 31, 2022, eligible projects under this Harvest Framework accounted for 29% of the Group's Backlog^{APM}. These projects include Haradh project, Marjan project, Termocandelaria project, Qatargas project and AMA project.

The MARF Bond Program established by the Group in December 2022 was fully aimed at financing the activities and projects associated with the decarbonisation and energy transition under the Harvest Framework in accordance with the relative weight that these activities represent over the portfolio of the Group.

By allocating the funding obtained under the MARF Bond Program to the Harvest Framework, the Group seeks to make progress in its transition towards adapting to new environmental standards and to the need of its customers to transform their assets into more complex and cost-effective configurations, thus responding to the current needs of promoting and developing a sustainable business. (See "*Operating and Financial Review–Borrowings by type–MARF bonds*")

Divestments

In 2019, the Company initiated a divestment plan for assets not related to the Company's core activity with the aim to focus on consolidating its position as leaders in engineering and construction in the energy sector and responding to the current challenge of contributing to the energy transition and decarbonisation at a global level.

In December 2022, the Company culminated the divestment process with the sale of 100% of Ibérica del Espacio, S.A. (IberEspacio), a company specialized in thermal control products and engineering solutions for the aerospace industry, to ARQUIMEA for €19 million. The capital gains obtained and the funds generated from this operation will contribute to the development of the Company's energy transition and decarbonisation strategy.

Research, Development and Innovation

Research, development and innovation have been inherent in the Group's business from the beginning. The techniques developed have been applied in the fields of extractive metallurgy, the environment, production of nitric acid and ammonium nitrate, and electricity generation.

Additionally, the Group has the firm commitment to the research, development and scaling of new technologies focused on energy transition. In this sense, initiatives of different types are particularly relevant in technological proposals associated with the development of high efficiency electrolyzers, the recycling of glass fibre and carbon fibre, hydrogen production technologies, recycling of plastics and technologies for the extraction and recovery of critical raw materials essential for the energy transition.

At José Lladó Technology Centre, one of the most modern in Spain, where more than 70 people work between graduates and doctors of different disciplines, Research and Technological Development projects are developed. In addition, the centre provides development and scaling technology and technical assistance services, collaborates with the transfer of research findings between various public research centres, technology centres and the Group, and promotes and participates in the development of cooperative research between companies.

The Technology Centre makes facilitates and boosts the Group's participation in innovation and R&D activities. It has more than 5000 sqm of state-of-the-art facilities and equipment, which allow activities to be carried out at any level, from the laboratory to the pilot plant, as well as the creation of demonstration plants and even basic or advanced engineering of the selected option, completing the entire R&D&I value chain, from idea to industrial implementation.

In 2022, the Group continued to work on national and European research and development projects:

- **Hydrogen:** (i) EVER: development of low-cost electrolyzers for the production of green hydrogen based on anionic membrane technologies; (ii) SHINEFLEET: development of compact renewable and blue hydrogen generators for the heavy transport industry; (iii) EFISOEC: development of technology for the production of Green Hydrogen through Solid Oxide Electrolyser Cell (SOEC); and (iv) HY2DEC: 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 processes of the Spanish intensive industry with the purpose of advancing in their decarbonisation.
- **Circular Economy:** (i) SEA4VALUE: EU project (H2020) to develop valuable metal recovery technologies from brine produced in desalination plants; (ii) DUST: development of technology for the treatment and direct recovery of steel dust, waste considered hazardous waste due to its high heavy metal content; (iii) RECYCLION: development of technology for the recycling of end-of-life batteries for electric vehicles with special emphasis on their sustainability, economic viability and integration into the circular economy of the value chain of lithium-ion battery manufacturers; (iv) ECLIPSE: research into new technological routes which facilitate the recycling and revalorization complex polymeric waste; (v) ECOTRON: European project (Horizon Europe) to develop new materials, manufacturing processes and recycling technologies for electronic devices; (vi) POWER2HYPE (Horizon Europe): to develop a sustainable technology for the hydrogen peroxide production; and (vii) RELOAD (PERTE FUTURE:FAST FORWARD): to develop of metal recovery and critical raw materials technologies from batteries, super magnets and other electrical components of motor vehicles.
- **Critical Raw Materials:** (i) REMSELAN: development of technology for obtaining rare earths (cerium, neodymium, praseodymium, lanthanum and europium) by separation and purification of lanthanum; (ii) BIORECOVER: European project (H2020) for the development of technology to recover rare earths and platinum from primary and secondary sources; and (iii) MINETHIC: Development of technologies to obtain Critical Raw Materials essential for the success of the energy transition.

- **Biorefining:** LEVAPLUS: development of technology for the valorisation of raw materials rich in C6 sugars via the production of carboxylic acids that serve as a chemical platform for obtaining chemical products, polymers or pharmaceuticals. There is currently a portfolio of business opportunities for the industrial implementation of these technologies in the coming years.

Research and development expenditure charged directly to the income statement during the year amounted to €7,200 thousand (€7,100 thousand as of December 31, 2021).

Contract Types

The Group is specialized in offering its services under Front End Engineering Design contracts (“FEED”), Engineering and Procurement contracts (“EP”) Engineering Procurement and Construction Management contracts (“EPCm”), Engineering Procurement and Construction contracts (“EPC”), LSTK Contracts, reimbursable contracts and services contracts.

The structure of the price for these contracts varies widely. It can be agreed as a fixed price or lump sum or a margin above cost (cost plus). The most commonly used contracts are fixed-price contracts. The currency of the contract varies substantially depending on the type of project and the place it is performed, although the US dollar is the most frequently used currency.

The average term of the Group's contracts ranges between 36 to 52 months.

The Group also executes technology and process license agreements, procurement agreements for equipment and materials, subcontracts (especially for the construction and assembly phase of projects) and financing agreements.

The most relevant aspects of these contracts are described below.

- **Engineering and Procurement contracts (EP):** is a contractual agreement aimed to perform the services necessary for the engineering including preparation and development of plans, drawings, and specifications, and limited procurement services, and where there is no scope for construction at all or an Engineering.
- **Engineering Procurement and Construction contracts (EPC):** is a contractual agreement between a project owner and a contractor where the contractor is responsible for all the engineering, procurement, and construction activities to deliver the completed project to the client within a predefined time and cost. It is the most comprehensive scheme to design and build a plant and under that agreement the Group executes the detailed engineering of the plant, procures the material and equipment and is responsible for its construction. EPC contracts allows the owner to transfer the risk of design, procurement and construction to the contractor.
- **Engineering Procurement and Construction Management contracts (EPCm):** it is a contractual agreement under which Técnicas Reunidas manages the construction scope, but it is not responsible for its price nor for the execution schedule.
- **Front End Engineering Design contracts (FEED):** the Group delivers a detailed engineering of the plant over a 12 month period. In this timeframe, Técnicas Reunidas gets a deep knowledge of the project and associated risks for the construction stage. This allows Técnicas Reunidas to better price the project before proposing an EPC LSTK contract.

A variant from the FEED scheme is the FEED with an OBE. Under an OBE scheme, the client and the engineering company work together to build the price of the full project. Costs of equipment, materials and services are shared transparently between both parts. At the end of the process, a pre-agreed margin is added to the full cost and the whole project is wrapped under an EPC LSTK scheme.

- **Reimbursable Contract:** it is a contractual modality under which the Company executes the relevant services related to EP, EPC or EPCm and the client reimburses all the costs incurred during the execution plus an additional fee.

Lump Sum Turnkey Contracts

Under the LSTK contract modality, the Group agrees to provide EPC or EPCm services to complete the project awarded by a client for a predetermined fixed price and therefore the amount of payment does not depend on the amount of resources or time expended.

In a LS contract the customer agrees to pay to a contractor a specified contracted amount for completing a project, and the contractor is responsible for completing the project under the contractor's financial risk. A TK contract specifies contractor's scope

of work including start-up activities of a project and milestones of the normal operation status under the contractor's responsibility. The LSTK Contract doesn't allow any financial change for a given scope of work. Reversely, any change in the scope of the project shall be repriced. LSTK Contracts are characterised by the need to invest a significant amount of resources and involve, if awarded, the inflow of a significant amount of revenue. This is due to their technical complexity and the fact that they are usually awarded to a single entity, for which a rigorous selection process is usually followed in which elements such as service quality, technological capacity, performance, personnel, reputation and experience of the potential awardees are evaluated, in addition to the price offered by each of them.

This modality requires that the Group estimates in advance the cost of raw materials, equipment, labour and other overhead costs and determines the targeted profit margin to be reached under that fixed price. Given the complexity and size of the projects developed by the Group, these will be subject to change orders and changes in the scope of the services which will have to be settled with the clients.

The average term for performance of a LSTK Contract varies from 48 to 60 months. The engineering phase includes the final design of the project, the civil engineering design, channelling and structures, electrical and instrumentation design, and selection of equipment and materials. The procurement and delivery phase includes management of the purchase of the principal and other equipment, the purchase of materials and the activation, inspection, transportation and delivery of such equipment and materials to the plant. The construction phase includes preparation and fitting out of land, construction of civil works and structures, pre-fabrication and installation of channelling, securing and installing equipment, electrical and instrumentation installation, insulation and painting and start-up.

As of December 31, 2022, 95.08% of the Group's Backlog^{APM} consisted of projects developed under LSTK Contracts.

The process for awarding turnkey projects generally is lengthy and involves extensive sales efforts by the Group with the potential client. This process generally begins with an analysis of the project, a decision regarding the bidding strategy and preparation of the documentation for prequalification and preselection by the client. Once preselected, the Company prepares the technical and monetary bids to be presented to and negotiated with the client. The negotiations regarding the specific design, the operating parameters and construction schedule generally take several weeks, or even months. The Group's experience is that the final decision to award a turnkey contract generally depends to a certain extent on the competitiveness of the price that is offered (particularly for projects in developing countries). However, credibility and experience, financial solvency and technological capability, as well as the personnel assigned to the project, also influence the decision.

The Group's turnkey contracts include standard clauses for the termination of the contract, the guarantee of proper and timely performance, the limitation of liability and the limitation of subcontracting (See "*Risks associated with guarantees and sureties provided by Group entities in the course of their business.*") Although the Group has experienced some litigation with respect to its turnkey contracts, there have generally been few disputes.

Turnkey contracts involve some risks as they are subject to substantial changes in prices for procurement of equipment and materials and subcontractor prices for labour due to inflation, unforeseen events, financing obtained by clients, securing governmental permits, cost increases due to project changes, delays resulting from natural causes (local weather conditions) or breaches by suppliers and subcontractors. See "Risk Factors—The Group's revenue can be affected by cost overruns in projects developed under fixed-price contracts"

The Contracting Process

The typical elements of the overall cycle of any project in which the Group participates include the commercial activities of prequalification and bidding, which lead to the award and entering into the contract for the project, and performance of the project until completion. Given the complexity, size and risk of the Group's projects, the process leading to contracting is of great importance. In general, once the Group has decided to participate in the pre-qualification and other stages, the length of the contracting process varies from four weeks (for smaller contracts or infrastructure contracts) to six months (for large turnkey projects).

The stages and evolution of the contracting process that the Group applies, which are not significantly different from the standard models applied in the market, are:

- *Pre-qualification*: a market research analysis shall be carried out in order to study the attractiveness and interest of the potential project. If positive results and perspectives obtained from such analysis advocate for the viability of the process, an offer will be launched to any party interested in participating in the contracting process. Such launch shall be structured through a bid strategy, which terms and conditions shall be based upon the pre-qualification documentation prepared for the process. Upon finalization of its preparation, such pre-qualification documentation shall contain any compiled information in relation to the contracting process. A thorough and documented response shall be given to any clarification requested in relation to the process.
- *Bid*: an *analysis* concerning the terms of the invitation to bid (*i.e.* potential risks, payments, etc.) shall be carried out prior to any acceptance. To such end, a bid team shall be assembled in order to draft the terms and conditions of the technical and commercial bid. Once the bid is finalized, it shall be presented and any existing request of clarification shall be resolved, prior to the start of negotiations.

Currently, there are a large number of projects in the markets in which the Group's operates that are in their initial bidding stage. In line with the Group's policies regarding diversification and other selective criteria, the Group's is currently analysing several potential projects which are considered key opportunities for the Group with an estimated total value of more than €22 billion within a total Pipeline of €69.5 billion. See "*Business—Backlog^{APM} and Pipeline*".

The Group's believes that these projects will be awarded in the short to medium term. The Group's is unable to provide any estimates as to the outcome of the bidding process and as to whether any of these projects will end up being incorporated into the Group's Backlog^{APM}.

Project Financing

Clients financing

The capital expenditure required to develop the Group's projects is mostly borne by the clients awarding these projects to the Group, either through borrowed or own resources. As a consequence, the Group is not responsible for obtaining the funds required to fully finance the construction and development of the projects.

Clients usually seek project finance schemes with the support of export credit agencies ("**ECAs**") direct lending. Approximately 26% of the Backlog^{APM} corresponds to projects developed by the Group for clients which enter into a project finance structure, which helps mitigating the exposure to the credit risk of the relevant client and ensuring that payments foreseen under the project schedule are timely met.

The Group renders its services mainly under LSTK Contracts, which implies that the Group delivers the completed project to the client for a fixed price. In implementing its projects, the Group signs sub-contracts with companies that carry out the physical construction of the plants. The value of the sub-contracts is adjusted based on the scope established contractually. Likewise, the Group has to manage the procurement of the project and the delivery of materials and equipment. These services entail the incurrence of costs by the Group as the project progresses.

In order to timely make payments to suppliers or other subcontractors throughout the development of the project, the Group aligns the client's payments due under the LSTK Contract with the dates on which suppliers or subcontractors are to be paid. Consequently, the main source of financing for the projects lies with the clients, either through project finance schemes or through own funds.

Developments in contracting models over recent years have meant that projects are increasingly billed by milestones rather than progress payments. This has led to an increase in the collection period and an increase in the work in progress figure in the balance sheet. To address this issue, the Group has aligned its liabilities with vendors and subcontractors to its client milestones.

Group's financing

In order for the Group to manage misalignments of collections and payments in the context of the development of the projects financed by the clients, as well as to cover other operational needs of the Group, it has the policy of maintaining a sound balance sheet and adequate lines of financing to ensure the solvency necessary for implementing its projects. The Group finance its

operational needs through different lines of financing such as credit lines, syndicated facilities, private placements or MARF Bond Program. See “*Operating and Financial Review—Borrowings—Borrowings by type*”.

Risk Management

In order to mitigate the different risks identified, the Group has adopted a set of management policies which include the following procedures:

- (i) Procedures to mitigate risks related to the nature of projects such as selection of projects or policies for diversifying geopolitical risks; procedures related to the management of projects such as foreign exchange risk, liquidity risk and tax risk management; and procedures related to occupational health and safety- policies.

The table below summarises, for the main identified risks, the mitigation and management mechanism carried out by the Group:

Risk	Description	Mitigation and Management Mechanism
Project variations cost	<p>Multiple stakeholders can impact on a variation of cost estimates in turnkey projects, such as the volatility of raw material prices, changes in the scope of projects, the performance on time and quality of construction and assembly subcontractors, the litigation of customers and suppliers, geopolitical decisions with immediate impact or weather conditions, among others.</p> <p>Failure to meet delivery deadlines may entail compensation for the client.</p>	<ul style="list-style-type: none"> • Development of new contracting methods to mitigate risks. • Inclusion of indemnity clauses in contracts with suppliers and subcontractors. • Intensive procurement, during the first months of implementation, of any equipment which is both critical and highly sensitive to changes in the cost of raw materials. • Use of derivatives that enable certain essential raw materials and equipment to be purchased. • Distribution of the execution of the work between several subcontractors and consideration of subcontractors at the early project stage. • Inclusion in budgets of a contingency for deviations. • Close monitoring of project implementation deadlines to detect delays, allowing for the implementation of mechanisms for acceleration and mitigation of the risk of penalties.
Crude oil price fluctuations	<p>The price of crude oil and gas, in addition to other factors, affects the investment, adjudication and execution decisions of the Group's clients, as well as such as suppliers, competitors and partners.</p> <p>The Group's commercial activity depends on the investment by our clients.</p>	<ul style="list-style-type: none"> • Predominance of NOCs (National Oil Companies) over IOCs (International Oil Companies) in the portfolio (since these companies include factors besides those which are purely economic, such as geopolitical and social criteria, in their decision-making processes). • Diversification of products and geographical areas. • Mitigation of risks with clients and suppliers through the early detection of any issues that might involve modifications to the contract price.
Implementation of projects in multiple geographical areas	<p>The Group's projects are developed in multiple geographical areas, each of which presents a different risk profile to mitigate: political and social tensions, locations with limited access, limited legal certainty, requirements in relation to local content, growth in the tax burden in all the geographical areas where the Group develops its activity or complexity of the margin allocation process in projects</p>	<ul style="list-style-type: none"> • Project selection based on a detailed analysis of the client and the country, establishing a local presence before submitting bid. • Analysis of the tax implications of the projects, and monitoring of the regulations and VAT position of the projects. • Inclusion in contracts, whenever possible, of clauses that allow price revisions in the event of amendments to the law. • Development of BEPS policies. • Internal procedures for fiscal risk management.

	<p>developed simultaneously in multiple geographies.</p> <p>The implementation of projects for the first time in a particular geographical area increases the risk of deviations in margins.</p>	
Concentration on a limited client base	<p>The portfolio may at certain times reflect a high concentration on a small number of clients or specific countries or suppliers.</p>	<ul style="list-style-type: none"> • Concentration only in markets where the Group has enough previous experience. • Diversification policy which allows the Company to access to highly disparate markets. • Development of commercial activity with new clients and in markets in which the Group is not yet active. • Construction fragmentation strategies and diversification in terms of several local and international suppliers.
Environmental and safety requirements	<p>The Group performs projects where incorrect implementation could lead to risks with significant impact on environment or sensible risks in occupational health and safety area.</p>	<ul style="list-style-type: none"> • Existence of a sustainability policy. • Existence of an Environmental and Safety Management System as per ISO 45001 certification in Técnicas Reunidas. • Updating of the HSE Policy (ISO 45001 and ISO 14001), introducing aspects of sustainability, consultation and participation, as well as health and wellbeing.
Economic variables	<p>Changes in exchange rates, interest rates, predisposition to financing or taxation may impact the Group's activities and results.</p> <p>Period of geopolitical tensions with a strong impact on economic variables.</p> <p>Increased influence in our clients' decision-making from the entities or organisations that finance their investments.</p>	<ul style="list-style-type: none"> • Continuous monitoring of currency-related risks and contracting of exchange rate insurance. • Management of a solid balance sheet and availability of appropriate financing lines, including the SEPI Financial Support. • Mitigation of the risk of lack of liquidity of clients through active participation in the processes of obtaining financing from them, through banks that support the operations in which the Company participates, as well as through the use of insurance to export through banks that support the operations in which the Company participates and direct contact with financing entities of its clients, as well as through the use of export insurance.
The loss of key personnel or deficiencies in their training may increase the risk of unsatisfactory implementation of projects	<p>The loss of key personnel or reduced availability of qualified personnel or excessive concentration of projects or their delay can generate inefficiencies in personnel management.</p>	<ul style="list-style-type: none"> • Procedures for identifying key employees to be retained. • Implementation of a flexible human resources structure which can adapt quickly to market changes. • Globalised management of human resources to unify the criteria used in the various subsidiaries.
Suppliers and sub-contractors	<p>Tensions between countries limit access to suppliers and subcontractors.</p> <p>The pandemic has created a framework of instability and uncertainty that makes it difficult to plan and manage projects efficiently.</p> <p>Increased risk of non-compliance and abandonment of projects due to the implications of the pandemic on the construction sector.</p>	<ul style="list-style-type: none"> • Expansion of lists of suppliers and subcontractors that meet customer requirements. • Subcontractor evaluation processes including compliance and sustainability criteria, and improved financial and HSE evaluation criteria. • Implementation of payment plans with subcontractors to minimize the impact on projects due to non-payment and reinforcement of collaboration with subcontractors in order to establish plans in accordance with the payment possibilities of the projects.

Quality in implementation	Quality in implementation not only ensures the satisfactory completion of a project but also increases the likelihood of securing similar projects or working with the same client in the future.	<ul style="list-style-type: none"> • Quality monitoring mechanisms in all project phases. • Creation of databases that collect the Group's know-how and best practices. • Elaboration of quality procedures by all affected departments, minimizing the possibility of knowledge lack, and review by the Knowledge Management Department.
New energy scenario	The energy transition is a new reality to which both customers and the Company itself shall adapt in order to meet the decarbonisation budgets and deadlines to which countries have committed.	<ul style="list-style-type: none"> • The Group is therefore increasing resources for the execution of projects in the field of energy transition, helping its customers to adapt to regulatory changes and new market trends. • The Group has launched a financing framework, called Harvest, to fund its commitment to decarbonisation and energy transition.

In response to the risks associated with the development of the projects, the Group has adopted management policies for the identification and management of contractual and other risks, including adoption of the following measures:

- The Group makes a strict and careful selection of projects, which begins with prior detailed analysis of each client, market, geographical area and country in which the Group expects to work, and the establishment of a local presence before bidding. For each specific project that the Group contemplates, the Group conducts an extensive analysis of the project's margins as well as its risks. The Group frequently rejects projects, especially when they believe the margin may not cover the identified risks.

The geopolitical risk involved in certain emerging markets is mitigated by the Group's geographical diversification policy. There is also diversification regarding the kinds of clients and kinds of products or projects undertaken. In addition, there is a policy of selective agreements with local partners or international contractors. The Group believes they have achieved balance in their marketing efforts among NOCs such as Aramco, ADNOC, BAPCO, KPC, YPF, Petroperú, Petronas, SOCAR, OC (Oman) and large Spanish groups such as CEPSA and Repsol.

Further, the Group has reduced the volatility inherent in their business by increasing their work for existing clients, such as Aramco, ADNOC or EXXON, among others.

The Group works with other engineering and construction companies (in joint ventures to share the risks inherent in a project or to combine financial capacity (access to guarantees, financing, etc.), technological capacity or efficient use of human and other resources to successfully bid on other projects. These joint ventures generally are formed for the sole purpose of undertaking a specific very large project when, given the size or positioning of the client or the country, it is advisable to diversify risk or, for example, work with construction partners. The Group currently has associations with Technip, Daewoo, Hyundai, Samsung, TSK, Ledcor, Wison, Sinopec, Hanwa, Budimex. These structures are dissolved upon completion of the project, which is when the corresponding guarantees expire. Approximately 55% of the Group's Backlog^{APM} consists of projects for which it is the sole contractor.

Because these joint ventures generally are structured in such a manner that each of the participants is jointly and severally liable to the client (so the Group may have liability for breach of another participant), the Group carefully analyse the possible participants and their possible liability before signing these agreements. In addition, the Group requires that the internal agreements among the participants in these joint ventures expressly contemplate the sharing or distribution of liabilities among the participants, as well as the reciprocal posting of guarantees to assure performance of those responsibilities.

The Group typically takes a leading position in management of its projects. In the exceptional cases in which this is not the case, the Group controls the risks by assuring that its personnel are included in the management teams having responsibility for the work to be performed.

- The Group ensures that it has adequate technical capacity to perform the projects. The Group also works to employ experienced personnel for project engineering and design, to ensure that subsequent implementation is on a timely and

proper basis, to comply with applicable environmental law and regulation and contractual obligations, and to avoid changes that may delay progress of the project or increase costs.

- The Group seeks to maintain a strong financial position to ensure we are financially able to develop large projects. In this regard, the Group analyses the possible financial contingencies (for example, currency fluctuations) and technical contingencies (for example, penalties for breach or delay). In case of a financial contingency, possible accounting and economic impacts are evaluated in order to minimize potential risks. In case of a technical contingency, providing that its occurrence is probable, it is considered as an additional cost of each project, and is included in the project budget.
- The Group seeks to negotiate contracts with the potential client rather than using forms provided by the client, including the negotiation of payment schedules in order to adjust them to schedules for procurement of materials and the various phases of the specific project as well as the removal of penalties or liabilities on its part in the event of delays arising as a result of a force majeure event such as any natural disaster, an outbreak of hostilities or regulatory changes, among others. Further, to the extent possible the Group negotiates for clients to assume the financial risk of currency fluctuations, either by making all payments in euro or other currencies considered to be stable, or by making payments in the currencies and amounts it has incurred for payments to suppliers and subcontractors.
- The Group seeks the selection of and contracting with suppliers and subcontractors of proven technical and financial solvency. Contracts with these suppliers and subcontractors generally include standard liability clauses, in particular regarding materials, civil works, assembly and construction. Occasionally construction contracts are in the form of turnkey contracts. Under these contracts, the subcontractors assume all responsibility for construction until start-up and delivery.
- The Group seeks appropriate and specialized insurance to cover financial risks (non-payment, currency fluctuations) and technical, design, construction and accident risks. These risks are covered by a global coverage insurance policy that provides €50 millions of coverage. In addition, the Group has separate insurance policies that cover the transport of equipment to its projects.

The Group implements and reviews the foregoing measures using the internal risk control and management procedures described below.

- Project and bid analysis phase:
 - a. The process begins with identification of the risks by the bidding department and technical office. The technical risks of engineering, procurement and construction are evaluated. The contracts department reviews the client's draft contracts and prepares a report regarding problematic matters and omissions. The corporate development team makes an initial decision regarding appropriate changes in the bid.
 - b. Thereafter, the process of evaluation and, if applicable, approval of contingencies begins. In this process the corporate development team reviews the technical bid and reports regarding the contracts, adjusts the risks and contingencies from the point of view of business risk, and prepares a draft bid. The executive committee reviews the draft bid and, if applicable, approves it and fixes the final price.
 - c. Thereafter, the negotiation of the final contract begins. The bid is sent to the client with the comments on the draft contracts. New versions of the contracts are reviewed and discussed with the client. Finally, the definitive versions of the contracts are submitted to the executive committee. The executive committee reviews and, if applicable, accepts the final versions of the contracts and approves the bid.
- Project performance phase:
 - a. During performance of a project there is a risk monitoring process. The project team monitors the evolution of risks identified in the contractual documentation and identifies any new risks as may arise. The project team and leader decide what information is to be communicated to the company managers. It is the responsibility of the project leader to advice management of the progress of the project and the risk tracking.

- b. Thereafter, a deviation analysis process begins. The project team analyses the possibility that risks will occur and the possible impact using flexible and non-uniform criteria. Also, the project team ranks the risks by probability of occurrence and identifies those requiring the adoption of decisions or measures.

Finally a process of adoption of corrective measures is applied. The project team identifies and analyses the causes based on probable contingencies. It evaluates alternative measures, estimates the cost of each measure and selects the specific measure to be adopted.

Occupational Health and Safety

The Group is highly committed to the establishment of demanding levels of occupational health and safety for its personnel and subcontractors. The Group has developed its own health and safety policies, which are adopted by each of its divisions and adjusted to the specific scope of each project.

The Group fosters the creation of a specific corporate culture in occupational health and safety, introducing training processes for staff and encouraging their participation in prevention efforts and improving working conditions, promoting shared responsibility at various levels of the organisation.

Occupational Health and Safety Management System

To achieve full integration of occupational health and safety throughout the life cycle of the Group's projects, the Company has had an Occupational Health and Safety Management System (SGSST) in place for 14 years. The application of the Occupational Health and Safety System is part of the Corporate Quality, Safety and Environment Policy (QHSE) and is based on three pillars: accident and incident prevention, integration of health and safety in corporate strategy and continuous improvement of methods and processes.

The Group uses the Safety Management System to plan, conceive, design and implement programs and monitor safety results with a view to continuous improvement. The management system used covers the following matters:

- Safety policy integrated with health and respect for the environment.
- Planning of objectives for the entire organization, and procedures to identify danger, evaluate risk, implement control measures and identify contractual and legal requirements.
- Implementation of safety plans using documentation communicated among personnel and procedures to identify risks and possible responses thereto.
- Periodic checking and measurement of safety performance using procedures for research, mitigation, corrective action and prevention of accidents, incidents and violations. These matters are entered into and periodically audited by the system.
- Periodic review of the system by the Group's management to assure continuous adaptation and effectiveness.

Additionally, the Group ensures that high standards of occupational safety are observed by its supply chain, establishing specific requirements and promoting good practices in this regard. Onsite health and safety managers oversee the application of specific health and safety plans by subcontractors, implementing any preventive actions they consider necessary. To this end, the Company carries out information campaigns, preventive measures and regular medical check-ups.

Safety Objectives

The Group has set the following objectives in relation to safety:

- Fulfil the objectives set out in the sustainability policy in relation to safety on site.
- Continue to promote the health and safety culture plan, including campaigns to raise awareness among employees.
- Promote actions aimed at making the Company a healthy company.
- Give greater visibility to good HSE practices on construction sites within the company and promote the TR (HSE) brand to the outside world, including optimisation of the on-site HSE auditing process.

- Improve health and safety protection for workers, taking into account the circumstances arising from Covid-19.
- Continue to expand the control of the effectiveness of HSE management systems in construction, with the inclusion of new performance indicators such as the control of Work Permits (Plan the Work, Work the Plan).
- Review the communication protocol that ensures that all projects receive the actions and lessons learned from the company's severe and potentially severe incidents.

Occupational Health and Safety Statistics

In 2022, the Group's Occupational Health and Safety Management System successfully passed the first follow-up audit based on ISO 45001, to which the system was migrated in 2020. In this context, the QHSE Policy was updated in March 2021 in order to adapt it to the new requirements of the new ISO 45001 and 14001 standards.

Patents and Licenses

The Group signs license and confidentiality agreements with third parties for the use of certain technology, processes or know-how owned by them, with respect to industrial projects awarded to the Group. Having these licenses is a necessary requirement for performance of the Group's business. The Group has maintained along several years very good and productive relationships with the main licensors of oil refining and petrochemistry processes industries.

In addition, as a result of the investment in Research and Development, the Group holds a portfolio of owned technologies in different areas of activity, as well as patents and trademarks in relation thereto. These technologies enable the Group to supply licences for their use and commercialisation, as well as all the associated Research and Development and engineering services associated with them to make their industrial implementation possible. The Group has a proprietary technology development division whose function is to produce profitable knowledge (technologies) so that a tangible product can be developed, as well as a subsidiary in charge of the development and marketing of some of these technologies.

The Group is owner of a total of 24 licenses in a variety of technical fields such as green fertilizers, low density ammonium nitrate processes, granular DAP, azeotropic nitric acid processes, urea, ammonia, production of high purity electrolytic zinc or the recovery of lead and silver. Regarding patents, the Group has filed a total of 63 in diverse cutting-edge technology areas, including production, recovery and purification of different materials.

In terms of proprietary technologies, the Group has also forged strong relations with many renowned technology companies from different areas of expertise such as sulphuric acid, NOx abatement or phosphoric acid, having signed a good number of Non-Disclosure Agreements as of today.

Other patented technologies and brands owned by the Group are the following:

NAME	FIELD OF BUSINESS	SCOPE
ZINCEX™	Metals recovery	Technology for processing leached ores and zinc concentrates that are difficult to treat by conventional methods to produce zinc by hydrometallurgical techniques using solvent extraction.
LIP4CAT™		Technology for treating calcines from roasting zinc concentrates to cause zinc leaching.
DATMOS™		Technology for treating mineral concentrates unusable in conventional RLE (Roasting Leaching and Electrowinning) process to cause zinc leaching.
ECOLEAD™		Technology for recovering lead and silver from secondary raw materials based on brine leaching and subsequent precipitation of the valuable metals.
WALEVA™	Biorefinery	Technology for recovery of agri-food waste (which is currently otherwise incinerated) using a chemical process to produce levulinic acid.
PHOS4LIFE™	Critical raw materials	Family of technologies: <ul style="list-style-type: none"> • Technology for producing technical grade phosphoric acid from sludge ash from sewage treatment plants. • Technology for producing phosphoric acid from phosphoric rock.

NAME	FIELD OF BUSINESS	SCOPE
RARE TECH™		Technology for producing rare earth concentrates from monazite ores.
HALOMET™	Environment	Technology for treating urban waste by incineration to recover zinc and other metals.

Furthermore, the Group participates in various research and development projects, through which it is developing technologies to recover metals from all waste types (such as the European Biorecover project or the DUST project financed by the CDTI for the treatment of steel mill dust and the recovery of the metals contained in it). The Group's work in this area is in line with European environmental policies for more rational use of resources and promotion of the circular economy.

The Group is closely watching new areas that may provide business and growth opportunities, such as critical raw materials. One such area is developing technology to extract "rare earths" materials (seventeen elements, so called because they are widely dispersed and not as concentrated as most others, having multiple high added value uses and increasingly sought after), (REMSELAN National Research Project funded by CDTI). Rare earths are considered critical strategic metals by Europe, the United States, Japan, China, South Korea and Australia.

Another technology is designed to recover lithium and cobalt from electrical car battery recycling processes (RECYCLION Project).

Finally, the Group participates in Research and Development projects focused on developing electrolyzers for the production of green hydrogen (EVER project to develop electrolyzers based on anionic membrane technology).

As of December 31, 2022, research and development expenditure charged directly to the income statement during the year amounted to €7,200 thousand (€7,100 thousand as of December 31, 2021).

Properties

The Group develops its corporate activity, under the exercise and use of the relevant properties duly owned by the Group and mainly by means of certain leased premises that the Group has leased by virtue of certain lease agreements entered into. The Group do not own any real estate properties outside Spain and conducts business through subsidiaries and business offices in third countries and work centres located at project sites, to which it has access through lease agreements. The Group's headquarters are leased.

As of December 31, 2022, the Group had foreign investments in property, plant and equipment for a cost of €30,823 thousand (€31,680 thousand as of December 31, 2021), and cumulative depreciation in the amount of €28,210 thousand (€28,117 thousand as of December 31, 2021).

See Note 6 of the Financial Statements.

Employees

The Group's workforce comprises permanent and temporary workers. The Group also hires independent professionals and subcontract temporary employment agencies or other companies (generally local engineering or construction firms) to meet extraordinary human resources needs of specific projects. Historically, most of the Group's employees have been located in Spain. Since 2002, the Group has been opening satellite engineering centres in other countries and hiring engineers and other employees in those centres. As of December 31, 2022, 58.24% of the Group's employees were based in Spain.

The number of employees of the Group as of the date of this Prospectus and as of December 31, 2022, 2021 and 2020, broken down job category, was as follows:

	As of the date of this Prospectus	As of December 31,		
		2022	2021	2020
Executive Chairperson	1	1	1	1
Senior executives	10	9	10	11
1st management level	77	87	81	96

2nd management level	444	399	435	240
Graduates, other line personnel and clerical staff	6,812	6,372	5,813	6,794
Supervisors	139	162	142	273
Sales staff	25	23	34	43
Number of employees at the period-end	7,508	7,053	6,516	7,458

Additionally, the number of employees of the Group as of the date of this Prospectus and as of December 31, 2022, 2021 and 2020, broken down gender was as follows:

	As of December 31,			
	As of the date of this Prospectus	2022	2021	2020
Men.....	5,649	5,254	4,798	5,609
Women	1,859	1,799	1,718	1,849
Number of employees at the period-end	7,508	7,053	6,516	7,458

The Group's workforce at December 31, 2022 had 7,053 employees and 795 subcontracted workers and freelancers. In addition, Técnicas Reunidas has an average of more than 35,219 subcontracted workers on its projects in construction. However, the Company does not have a direct relationship with these professionals as they are not direct employees of the Company.

During 2022, there has been an increase of around 8.24% of the workforce due to compliance with the strategic objectives of growth in the number of people, in line with the business needs of the technology centres in Spain (Madrid and Cartagena), India, Turkey, Abu Dhabi and Chile. In addition, in coordination with the operations department, organizational support is being provided to respond to the personnel needs in the different subsidiaries.

In average, the Group had 1,220 temporary employees during the year ended 2022. The reason the Group uses a significant number of temporary employees is because most of the projects it undertakes are temporary and such employees are mainly assigned to the construction phase of projects. Therefore, historically a significant number of temporary workers had contracts for specific work or services, the duration of which coincided with the work or services they provided for the specific project to which they were assigned. On the other hand, temporary workers not assigned to specific projects mostly have temporary contracts for production needs.

However, as consequence of the labour law reform approved by Royal Legislative Decree 32/2021, of December 28, by virtue of which temporary contracts for a specific work or services are eliminated and therefore cannot be entered into as from March 30, 2022, the natural evolution of the temporary headcount will be to decrease. The Group will have to resort to indefinite hiring or temporary contracts for production needs when the underlying cause allows these type of contracts.

Finally, for all countries where there is a collective bargaining agreement, 100% of the employees are covered by the collective bargaining agreement associated with the activity licence granted to the Company (engineering, construction, etc.). In addition, health and safety clauses are included in all collective agreement, which are adapted to the corresponding local legislation.

Regulation

The activities undertaken by the Group are not subject to specific sector-related regulation.

Legal Proceedings

The Group has been, and continues to be, the subject of legal proceedings and adjudications from time to time in the ordinary course of its business. Except for the proceedings included in the section below, the Group is not aware of any governmental, legal or arbitration proceedings, including pending or threatened proceedings during the past 12 months that may have, or have had in the recent past, a material adverse effect on its business, results of operations, financial position or prospects.

Proceedings related with the Group's activity

The Group is involved in several legal and arbitration disputes related to the closing process of certain projects with clients and suppliers. According to the advice of the Group's legal advisors, based on the information available, the Company believes that the outcome of these disputes will not have a material impact on the Group's financial position, except for:

- **KPP vs. the Company**

In relation to the Kilpilahti Power Plant project, in 2021, KPP (a joint venture formed by Neste, Borealis and Veolia) initiated an arbitration proceeding against the Company requesting acknowledgement of their entitlement to the contractual delay liquidated damages (approximately €40 million already cashed under the guarantees), and their entitlement to terminate the contract for cause, together with the recovery of all additional costs and damages incurred in completing the works (in an estimated amount of €165 million). The Group has rejected KPP's claims in the proceedings and submitted counterclaims for damages in the amount of €150 million for wrongful termination of the contract and change orders.

- **A joint venture (formed by the Company, among others) vs. MGT Teesside**

In the context of the development of the Teesside project, in May 2021, MGT Teesside (a special purpose company formed by Macquarie and PKA) decided to terminate the EPC contract awarded to a joint venture between the Company and Samsung C&T. The joint venture filed for arbitration proceedings immediately after the enforcement of the guarantees to recover its losses and damages sustained because of the wrongful termination and to recover the amounts cashed by MGT under the bonds. The joint venture's claims amount to £195 million. MGT was originally claiming £215 million and this amount was increased by an additional £23.5 million (£120 million already cashed under the performance bonds).

- **Sumimoto SHI FW against the a joint venture (formed by the Company, among others)**

In the context of the development of the Teesside project, Sumimoto SHI FW was the subcontractor in charge of providing services related to CFB boiler of the power plant. On January 2023, Sumimoto filed a claim against the joint venture between the Company and Samsung C&T for an amount of £41 million in the context of the performance guarantee enforced by the Group against it.

- **GTG Consortium (formed by Sonatrach and Neptune Energy) vs. the Company**

The dispute relates to the Touat Gaz project client's enforcement of the contract guarantees in an amount of €80 million at a time the contractor had achieved the provisional acceptance of the plant two years earlier. The Company's position is that the enforcement of the guarantees was unjustified and that there had been no proper prior discussion of the Company's claims as required by the contract and for this reason immediately commenced arbitration proceedings (which are at a very early stage). The amounts claimed by the Company are approximately €280 million including the recovery of executed bank guarantees. GTG has submitted counterclaims in an amount of €200 million.

- **Arabian Bemco Contracting CO LTD ("BEMCO") vs. TR Saudia**

In September 2021, BEMCO, a subcontractor engaged by the Group in the context of Jazan Integrated Gasification Complex project located in Saudi Arabia commenced arbitration proceedings against Técnicas Reunidas Saudia for Services and Contracting Company Limited ("**TR Saudia**"), claiming extra-costs in the amount of approximately SAR450 million (approximately \$118 million), for alleged breaches by TR Saudia under the subcontract. TR Saudia has denied such breaches. TR Saudia requests the dismissal of the BEMCO claims and has submitted counterclaims in an amount of approximately \$35 million.

In relation with the above proceedings, the Group has recorded provisions in its consolidated balance sheet to cover contingencies and charges, including payment obligations to project partners, provisions for probable risks, and provisions for other non-current payments to be made. In this regard, the balance as of December 31, 2022 relates mainly to provisions made as a result of the estimation of the probable outcome of arbitral processes mentioned above. The provisions are quantified on the basis of the information available and legal advice and are used to provide for the specific obligations for which they were originally recognized.

As of December 31, 2022, the Group has recognised provisions for a total of €81 million relating to litigation, arbitration and claims with clients and subcontractors related to claims for amounts or enforcement of guarantees in the context of the development of

certain Group projects, in particular regarding the Touat Gaz project in Algeria, in relation to which out of the total of €81 million, a specific provision was recorded in an amount of €45 million.

As of the date of this Prospectus, each of these proceedings is at a different stage and no resolution is expected before 2024 or early 2025. In the opinion of the Company's directors, based on internal valuations and third-party expert reports, the potential liabilities that could arise from these proceedings would be sufficiently covered by the provisions recorded as of December 31, 2022.

Tax proceedings

- On June 28, 2013, the Spanish Tax Agency communicated to the Company, as parent of the tax group, the initiation of inspection proceedings of the corporate income taxes for the year 2008 to 2011 (both inclusive).

In June 2015, the Company received a settlement proposal for an amount of €138.2 million euros plus interest, and signed the assessment on a contested basis. The settlement agreement is based on the discrepancies of the Spanish Tax Agency with the criteria on which the Group's transfer pricing strategy is based.

In July 2015, the settlement proposal was unsuccessfully appealed for reconsideration before the Spanish Tax Agency and the Company filed an appeal for administrative review against this ruling before the Central Administrative Review Court ("TEAC") on September 15, 2015.

In 2018, the TEAC partially ruled in favour of the Group, reducing the settlement amount by €20.9 million plus interest and establishing the amount of the claim at €117.3 million euros plus interest. The Spanish Tax Agency did not file an appeal against this ruling. In October 2018, the Group (the Company and the 11 joint ventures (the "UTEs") affected by the settlement agreement) filed the corresponding judicial appeals with the Spanish National High Court (the "National Court") against the corresponding decisions of the TEAC.

In February 2023, the National Court ruled in favour of Técnicas Reunidas, recognizing that the application by the Group of the exemptions applied in connection with the financial result of the UTEs was in accordance with the law.

As of the date of this Prospectus, the National Court has notified all of the twelve rulings in relation to these tax settlements. One of them is that issued in the procedure followed against Técnicas Reunidas, in its capacity as the parent entity of the tax consolidation group, which is the entity to which the aforementioned debt was fully assessed, and the other eleven rulings correspond to the procedures followed with eleven of the regularized UTEs.

These rulings have no impact on the Group's income statement. In March 23, 2023, the Company was notified that the State attorney's Office filed a cassation appeal against the rulings. The Company will have a period of 30 business days to file a notice of opposition to the admissibility of the appeal before the Supreme Court. In the opinion of the Company's management and its advisors, it is unlikely that the appeals would be admitted for processing and, in the unlikely event that the appeals in cassation were to be admitted, the likelihood that they would be upheld by the Supreme Court would be very low.

The Company's management and directors considered that it was not necessary to recognise any liability nor provision for these purposes.

As of the date of this Prospectus, the Company has not made any payments related to the settlement agreement, since both the payment and the interest are guaranteed.

- On July 13, 2017, an audit was opened into the Company's 2012 to 2014 (both included) corporate income taxes and for 2014 to 2015 (both included) for the rest of its taxes. The audit closed with the signing of inspection certificates with tax settlement in 2020.

The agreements reached relate to the application of tax exemptions to the execution of projects through joint ventures. The Group and the Spanish Tax Inspectorate agreed that this exemption is partially applicable.

The signing of these Certificates of Conformity is intended to reduce the risks associated with the tax litigation that the Group bears. In addition, and in the opinion of the Group's management and tax advisers, the signing of that agreement does not

change the estimate that the claim before the Spanish National High Court regarding years 2008-2011 will be concluded favourably.

As a result of the inspection for years 2012 to 2014 a number of points regarding the corporate Income Taxes were signed as Certificates of Non-Conformity. The amount of these non-conformities proposals amounted to €3.566 million for 2012 (€0.744 million corresponding to interest), while for 2013 and 2014 these amounted to €5.002 million (€0.833 million corresponding to interest). Additionally, the Company received penalty proposals for the years 2012 and 2013 to 2014 amounting respectively €1.2 and €1.6 million.

The Company appealed against the above non-conformity and penalty proposals before the TEAC and, on February 3, 2022, the TEAC notified two resolutions, fully upholding the above contested non-conformity agreements and confirming the imposition of the penalty corresponding to the 2012 financial year, but partially disregarding the penalty for the financial years 2013 to 2014, meaning a reduction of the penalty of €0.455 million.

The above TEAC decisions were further appealed by the Company on March 15, 2022, in contentious-administrative appeal procedures with the National Court, being all at the date of this Prospectus pending for voting and ruling.

The Company's management and its tax advisers have concluded that it is unlikely that the amount of the above certificates appealed to the National Court will have to be paid, so no provision has been made for these items.

Likewise, as a result of the July 13, 2017 audit opened into the Company's years 2014 to 2015 (both included) for the rest of its taxes, a number of points were regularized by an assessment amounting to €3.573 million including interest and a penalty proposal for an amount of €1.6 million. Both the assessment and the penalty have been confirmed by a resolution of the TEAC communicated to the Company on April 4, 2023. The Company intends to file, prior to June 4, 2023, a contentious-administrative appeal before the National Court against the TEAC resolution, since the Company considers that the TEAC resolution does not affect the probabilities of obtaining a final decision revoking the assessment and the penalty.

- For the purpose of reducing controversies with the Spanish Tax Administration and in order to align the Group's transfer pricing policy with the standards set out by the OECD in the BEPS Project, a request for an advance pricing agreement ("APA") was filed with the Spanish Tax Administration on April 2020 so as to implement this new model along with the tax authorities and under their guidance and direction. The Group's purpose was to build a trusting relationship and improve the understanding with the Spanish Tax Administration, using for this purpose the execution of the APA. The execution of this agreement was aimed to strengthen the legitimate expectations between both parties and to establish a framework for future co-operation, even greater than that existing. Finally, the APA with the AEAT was signed on March 24, 2022.

The APA covers the period from 2015 to 2026 and incorporates EPC projects without partners, where the contribution to the results of each of the companies involved is defined according to the contribution of the activities carried out under the project.

The purpose of this APA is to distribute results between the entities acting as operational centres of the Group, which are taking part in the implementation of EPC and EPCm projects outside Spain.

The contribution analysis to every entity allows the distribution of the result between the entities taking part in the EPC and EPCm emerging as a function of a range of values. It is regarded that the contribution of the entities that are part of the corporate and the offshore operational centres (offshore entities) follows the arm's length principle if they are allocated between 70% and 80% of the result arising from each project. It is regarded that the contribution of the entities that are part of the onshore centre follows the arm's length principle if they are allocated between 20% and 30% of the result arising from each project.

- On June 2013, the Spanish Tax Agency communicated the Company the initiation of inspection proceedings of the VAT tax for the years 2009 to 2011 further extended to years 2012 and 2013.

For the years 2009 and 2011 the Company received a settlement proposal of €1.26 million and a penalty proposal of €0.445 million, both including interests, whereas for the years 2012 and 2013 it received a settlement proposal that recognized an amount to be reimbursed to the Company of €0.664 million instead of its request for €1.539 million, and a penalty proposal of €0.372 million.

Against the above proposals the Company filed claims with TEAC, which were dismissed, and further appealed by the Company before the National Court. The National Court procedure for years 2009 to 2011 is at the date of this Prospectus pending for voting and ruling, whereas the National Court procedure judgement for years 2012 and 2013 was notified on June 29, 2022, partially estimating the appeal filed by the Company, in particular cancelling the imposition of the penalty of €0.372 million.

The Company's management and its tax advisers have concluded that it is unlikely that the amount of the above certificates and penalties will have to be paid, so no provision has been made for these items.

The detail of the years open for inspection is as follows:

Tax	Years
Income tax	2015-2022
Value-added tax	2016-2022
Personal income tax	2016-2022
Taxes other than income tax	Last 4 years

Sales and profit forecast

The Group expects a revenue for the year ended December 31, 2023 amounting to approximately €4 billion and an EBIT Margin^{APM} for the year ending December 31, 2023 of approximately 4%. The Group has published this sales and profit forecast, which is outstanding and valid as of the date of this Prospectus (the "**Sales and Profit Forecast**").

The Sales and Profit Forecast is based on the assumptions indicated below (the "**Assumptions**"):

Factors that are outside the control of the Company and its management:

- *Investment super cycle in the energy industry.* A new investment wave in the overall energy industry and the energy intensive industry is foreseen for the next decade, which may translate in new awards and in FEED conversion into LSTK Contracts during 2023.

Factors that are partially or completely within the control of the Company and its management:

- *Relevant player in the energy transition.* The Group will continue to be active in the Low Carbon Technologies segment, (including the full hydrogen value chain, bioproducts, and carbon capture and storage) providing its engineering services related to low carbon energies for major energy companies and infrastructure funds.
- *Reduction in the risk of the Group's current and future backlog.* The Group will continue to diversify in terms of industries, geographies, clients, products and percentage of completion execution schemes. This diversification will result in a Backlog^{APM} with a more balanced risk profile.
- *Efficiency programs.* The Group will successfully launch efficiency programs and execute the current programs in place to optimize operations, increase margins and reduce costs.

For information about the Group's Current Trading for the three month period ended March 31, 2023, please see "*Operating and Financial Review—Current Trading*"

The Sales and Profit Forecast has been compiled and prepared on a basis which is both comparable with the historical financial information and consistent with the Group's accounting policies.

This Sales and Profit Forecast and Assumptions are based on management's estimates, and are therefore subject to known and unknown risks, uncertainties, assumptions and other factors that could cause the Group's results to materially differ from those expressed in, or suggested by, this section. For further information on forward-looking statements and why investors should not place on them undue reliance, see "*Presentation of Financial and Other Information—Forward-looking statements*"

MANAGEMENT AND BOARD OF DIRECTORS

Directors

Spanish corporate law provides that a company's board of directors is responsible for the management, administration and representation of a company in all matters concerning the business of the company, subject to the provisions of such company's bylaws and the powers granted by shareholders' resolutions.

The Company's bylaws provide for a Board of Directors consisting of between seven and fifteen members (each, a "Director"). The Board of Directors currently consists of twelve Directors. The composition of the Board of Directors as of the date of this Prospectus and the status of its members in accordance with the provisions of the bylaws and the Board of Directors regulations (*Reglamento del Consejo de Administración* or "**Board of Directors Regulations**") of the Company are shown below:

Name	Nature	Title	Date of Appointment or election or re- election	Term Expires
Mr. Juan Lladó Arburúa	Executive	Executive Chairperson	June 25, 2020	June 25, 2024
Mr. José Manuel Lladó Arburúa	Proprietary ⁽¹⁾	1st Vice-Chairperson	June 25, 2020	June 25, 2024
Mr. Pedro Luis Uriarte Santamarina	Independent ⁽²⁾	Director	June 25, 2020	June 25, 2024
Ms. Petra Mateos-Aparicio Morales	Independent	Director	June 25, 2020	June 25, 2024
Mr. William Blaine Richardson.....	Other external ⁽³⁾	Director	June 25, 2020	June 25, 2024
Mr. Adrián Lajous Vargas	Independent	Director	June 25, 2020	June 25, 2024
Mr. Alfredo Bonet Baiget	Independent	Director	June 28, 2022	June 28, 2026
Mr. José Nieto de la Cierva	Independent	Coordinating Director	June 28, 2022	June 28, 2026
Mr. Rodolfo Martín Villa	Other external ⁽⁴⁾	Director	June 26, 2019	June 26, 2023
Ms. Inés Andrade Moreno	Independent	Director	June 25, 2020	June 25, 2024
Mr. Ignacio Sánchez-Asiain Sanz	Independent	Director	June 25, 2020	June 25, 2024
Ms. Silvia Iranzo Gutiérrez	Independent	Director	June 28, 2022	June 28, 2026

⁽¹⁾ Proprietary director representing Araltec, S.L., in accordance with the terms of his appointment resolution. 93.18% of the share capital of Araltec, S.L. is owned by Mr. José Lladó Fernández-Urrutia. Additionally, Mr. José Lladó Fernández-Urrutia controls 37.20% of the share capital of the Company, out of which a 0.107% is controlled directly and a 37.088% is controlled indirectly through Araltec, S.L. and Aragonesas Promoción de Obras y Construcciones, S.L. (see "*Principal Shareholders*").

⁽²⁾ In June, 2023; Mr. Pedro Luis Uriarte Santamarina will have served as independent director for 12 years. Consequently, he will cease to qualify as independent director and shall be qualified as an "other external director" of the Company.

⁽³⁾ Other external as he does not have executive duties in the Company and he cannot qualify as independent director due to the consultancy contract entered into between Mr. William Blaine Richardson and the Company (see "*-Compensation-Compensation of Directors*").

⁽⁴⁾ Other external as he does not have executive duties in the Company and he cannot qualify as independent director because in 2019, prior to his appointment as director of the Company, he received remuneration from Initec Plantas Industriales, S.A.U.

Ms Laura Bravo Ramasco is Secretary Non-Director of the Board of Directors.

The business address of the Directors and senior managers is currently Avenida de Burgos 89, Complejo Adequa, Edificio 6, Madrid (Spain).

During the financial year ended December 31, 2022, the Board of Directors held 11 meetings. Since the beginning of the current year and until the date of this Prospectus, the Board of Directors has met on 4 occasions.

The Directors are elected by the Company's General Shareholders' Meeting to serve for a term of four years and may be re-elected one or more times for the same period, provided that the Directors will cease to qualify as independent Directors once they have served as Directors for a continuous term exceeding 12 years. If a Director does not serve out his or her term, the Board

of Directors may fill the vacancy by appointing a replacement Director to serve until the next General Shareholders' Meeting. Any natural person may serve on the Board of Directors, except for persons specifically prohibited by applicable law. A Director may be removed from office by the shareholders at a General Shareholders' Meeting.

The Board of Directors is governed by the Company's bylaws and the Board of Directors Regulations. The Board of Directors Regulations develop the Company's bylaws and establish the principles for the functioning of the Board of Directors, including the basic rules for its organization and functions and the standards of conduct for the Board of Directors. The Board of Directors Regulations currently in force were registered with the Commercial Registry of Madrid on September 13, 2021. The Company's bylaws provide that the Board of Directors shall ordinarily meet at least once every two months. The Chairperson of the Board of Directors may call a meeting whenever he or she considers such a meeting necessary or suitable, and the Chairperson of the Board of Directors is also required to call a meeting at the request of one third of the Directors, who shall be entitled to call the meeting by themselves if the Chairperson does not attend such request within the following month. The Company's bylaws provide that a majority of the members of the Board of Directors (represented in person or by proxy by another member of the Board of Directors) constitutes a quorum.

The Company has appointed a Coordinating Director due to the fact that the Chairperson of the Board of Directors has executive duties. As Coordinating Director, Mr. José Nieto de la Cierva is especially empowered to convene meetings of the Board of Directors and to include items on the agenda of an already convened meeting, as well as coordinating and bringing together any appointed non-executive directors and directing, where appropriate, the periodic assessment of the Chairperson of the Board of Directors.

Except as otherwise provided by law or specified in the bylaws and Board of Directors Regulations, resolutions of the Board of Directors are passed by an absolute majority of the Directors present or represented at a Board of Directors' Meeting (a "**Board Meeting**").

Biographical information

Below is a brief description of the qualifications and professional experience of the Directors.

Mr. Juan Lladó Arburúa

Mr. Lladó Arburúa holds a degree in Economics from Georgetown University (Washington DC) and an MBA from the University of Austin (Texas). As for his professional career, Mr. Lladó Arburúa has extensive experience in administration and management in several leading national and international private companies. He has held senior executive positions in several companies, such as Treasurer of Argentaria (1997- 1998) and Vice-Chairperson of the Company since 1998 and Chairperson from June 25, 2020. He is a member of the Board of Directors of Araltec, S.L. and joint director of Aragonesas Promoción de Obras y Construcciones, S.L.

Mr. José Manuel Lladó Arburúa

Mr Lladó Arburúa has a BSBA from Georgetown University and an MBA from the University of Chicago. In his professional career, he has been manager of the international corporate finance division of Citibank N.A., Managing Director of the Chase Manhattan Bank, with responsibility for Global Market Sales for Spain and Assistant Deputy Managing Director of Banesto, with responsibility over the International and Treasury area. He has been a director of CESCE, Managing Director and Founder of Ideon Financial Services, Founding Partner, Chairperson and Director of Summa Financial Services, Founding Partner and Chairperson of Borrox Financial Solutions, Founding Partner of Summa Financial Services and Managing Director of Ideon Financial Services, as well as member of the Board of Directors of Raisin Technology Europe, S.L. (previously named, Choice Financial Solutions, S.L.), Fintonic Servicios Financieros, S.L. and Ideon North America (subsequently Choice). He is a member of the Board of Directors of Aragonesas Promoción de Obras y Construcciones, S.L., and León Valores S.A., SICAV and he also is a director and Chairperson of Layar Castilla, S.A., Summa Investment Solutions, S.A. and Araltec, S.L.

Mr. Pedro Luis Uriarte Santamarina

Mr. Uriarte Santamarina holds a degree in Economics and Law from the Deusto Business School in Bilbao. He has a total of 46 years of experience, 9 years in the industrial sector, 23 in finance, 10 in strategic consultancy and 4 in public administration, in addition to 7 years of tenure as a university professor over that period of time. In the banking sector, he has been CEO (1984)

and Vice-Chairperson (1997) of BBV. After the BBV merged with Argentaria (1999), he was appointed CEO and Vice-Chairperson of BBVA until his early retirement in 2001. From 1997 to 2002, he was also ViceChairperson of the Board of Directors of Telefónica S.A. and among other professional activities, he is currently CEO of Economía, Empresa y Estrategia, S.L. and Director of Panda Security, S.L.

Ms. Petra Mateos-Aparicio Morales

Mrs. Mateos-Aparicio holds a PhD “*cum laude*” in Economics and Business Administration from the Complutense University of Madrid and is a Professor of Financial Economics. She has been Vice-Chairperson of the Spain – U.S. Chamber of Commerce since July 2011 and a director of Unicaja Banco since February 2014 until February 2023. She was a director of Banco CEISS from 2014 until its merger with Unicaja in September 2018. She has been the Executive Chairperson of Hispasat, non-executive Chairperson of Hisdesat, a member of the Board of Directors of Solvay and non-executive Director of Ghesa Ingeniería y Tecnología, S.A. She has extensive academic experience as Professor of Financial Economics at the Department of Business Economics and Accounting of the Faculty of Economics and Business Studies of the UNED and Professor of Financial Economics at the University College of Financial Studies (CUNEF). She has also been a member of the National Board of Directors of the Spanish Institute of Financial Analysts (IEAF) since 2011 and member of the Board of ANECA during the period 2009-2015.

Notable among the distinctions she has received are the Knight of the Order of the Legion of Honor of the French Republic, Business Leader of the Year (2010), awarded by the Spain-U.S. Chamber of Commerce and the Women Together Foundation Award (2009), awarded by the United Nations Economic and Social Council (ECOSOC). Her most recent book, “Corporate Finances”, written in collaboration with Brealey, Myers, Marcus and Mateos (McGraw-Hill and UNED, 2010) is a significant insight into decision-making in the field of finances.

Mr. William Blaine Richardson

Mr. Richardson holds a degree in Political Science from Tufts University and a masters degree in Foreign Affairs from the Law and Diplomacy Fletcher School which also belongs to Tufts University. In the political field, he was a member of the House of Representatives for the State of New Mexico (1983-1997) and served as US ambassador to the United Nations (1997-1998). In 1998 he was appointed Secretary of State for energy until 2001. In 2002 he was elected Governor of the State of New Mexico for the first time, and was re-elected on 2006. He was appointed Chairperson of the International Advisory Board of Apco Worldwide and is member of numerous for-profit and non-profit advisory boards.

Mr. Adrián Lajous Vargas

Mr. Lajous Vargas holds a degree in Economics from the National Autonomous University of Mexico and a masters degree in Economics from King’s College, University of Cambridge. As a public servant, he occupied the position of director of Industrial Investments, México from (1977-1980), managing director of Energy and Secretary of the Energies Commission of Mexico (1980-1982), executive coordinator of international trade (1982-1988), deputy director of Planning and Production (1988-1994) and managing director of Petroleos de Mexico (PEMEX) and special adviser to the Chairperson of Mexico on oil matters (January to November 2000). In the private sector, he joined McKinsey and Company as a consultant in 2001, where he stayed until 2011 and currently advises Morgan Stanley as a senior consultant for the energy sector.

Mr. Alfredo Bonet Baiget

Mr. Bonet Baiget holds a degree in Economics and Business Administration from the Complutense University of Madrid and is a Commercial Attaché and State Economist. In the field of public economics and trade, he has been Deputy Director General of EU Trade Policy and GATT Relations (1991-1993), Economic and Commercial Counselor of Spain in Miami between 1987 and 1991 and Milan between 1993 and 1997, General Director of Promotion of the Spanish Institute for Foreign Trade (ICEX), a member of the Boards of Directors of Instituto de Crédito Oficial (ICO) and Navantia, Secretary of State for Foreign Trade and Chairperson of ICEX and Invest in Spain and Chief Economic and Commercial Counselor at the Spanish Delegation to the OECD. In the private sector, he has been General Manager of Altair Asesores, International Director of the Spanish Chamber of Commerce and Secretary General of the Círculo de Empresarios (2018-present). He is also Vice-Chairperson of Spanish Seniors for Technical Cooperation (SECOT) and the CRE100DO Foundation.

Mr. José Nieto de la Cierva

Mr. Nieto de la Cierva has a degree in Economic Sciences and Business Administration from the Complutense University of Madrid. He has developed his professional career in the private sector, as a member of the consultancy department of KPMG Spain, subsequently part of the JP Morgan Group, Director of the Chase Manhattan Bank and Managing Director of Corporate Banking for the Chase Manhattan Bank in Spain between 1998 and 2002. He subsequently joined Banesto, where he was Deputy Managing Director of Corporate Banking and Managing Director of Wholesale Banking. He has also held posts in the Banca March Group, where he was Chairperson of Banco Inversis, CEO of Banca March, Director and member of the Audit Commission of Corporación Financiera Alba, Director and member of the Executive Commission of Ebro, Director of Consulnor and Director of Aegon España. He was also Deputy Managing Director of Banco Sabadell between 2018 and 2022. He currently occupies the position of Chairperson of Kenta Capital.

Mr. Rodolfo Martín Villa

Mr. Martín Villa holds a degree in Industrial Engineering from the Polytechnical University of Madrid. Professionally, he has been a Spanish State Financial Inspector, Civil Governor of Barcelona, Minister of Union Relations, Minister of Governance and of the Interior, Minister of Territorial Administration, Vice-Chairperson of the Government, a Congressional Representative, Chairperson of the Budget Commission, the Justice and Interior Commission and the Toledo Pact for Public Pensions Commission, Chairperson of Ibercobre, Chairperson of U.C.B. Spain (Unión Chimique Belge), Chairperson of the Oversight Commission at Caja de Ahorros de Madrid, Chairperson of Endesa, Chairperson of Endesa Italia, Chairperson of Enersis (Chile), Chairperson of Sogecable as well as a Member of the Board of Trustees at the Pontifical University of Salamanca, the Colegio Libre de Eméritos Universitarios and the Ramón Menéndez Pidal Foundation. He is a member of the Spanish Royal Academy of Moral and Political Sciences.

Ms. Inés Andrade Moreno

Mrs. Andrade Moreno has a degree in business management (Finance and International Business) from Georgetown University (Washington, D.C.). She has developed her career in the financial and investment sectors. She has occupied positions of responsibility at JP Morgan (Financial Analysis, Mergers and Acquisitions Department), direct private equity funds in Spain (mainly, Inversiones Ibersuizas and Inova Capital) as well as Grupo Río Real, where she was Managing Director). She is currently a partner and Senior Advisor at the Altamar CAM Partners Group, a Hispano-German firm that manages assets mainly structured through funds of funds and custom mandates. Over the last 14 years, Inés has held various positions within the Altamar Group, including Managing Partner & Vice Chairperson from January 2016 to the end of 2021. She is also an independent director and Chairperson of the Corporación Acciona Energía.

Mr. Ignacio Sánchez-Asiain Sanz

Mr. Sánchez-Asiain Sanz has a degree in Economics and Business Administration from the University of Deusto and an MBA with a specialty in Financial Intermediation from the Wharton School – University of Pennsylvania. He has developed his professional career in the private sector, as a market analyst for Prescott Ball & Turben, European project manager, member of the European Senior Advisory Board and Senior Advisor of Iberia in Oliver Wyman & Co., International Business Development Director, Private Banking General Manager, General Manager of Systems and Operations and member of the Steering Committee in the BBVA Group, General Manager of Bilbao Bizkaia Kutxa (BBK), Corporate General Manager of Kutxabank and CEO of Banco Popular and Chairperson of Gobertia Órganos de Gobierno. Currently, Mr. Ignacio Sánchez-Asiain Sanz is a member of the Boards of Weguest, S.L. and Tradeslide Ltd., and has been member of the Board of Directors of Gobertia Global, Gobertia CEE, Gobertia España and Gobertia Perú.

Ms. Silvia Iranzo Gutiérrez

Ms. Iranzo Gutiérrez holds a degree in economics science and business studies and PhD in Economics and Business. Commercial Technician and State Economist. She is a graduate of the IESE Business School's Management Programme for the Bank of Spain.

She has been Spanish Ambassador to Belgium and Secretary of State for Trade, Chairperson of the Board of Directors of ICEX, member of the Steering Group of the Bank of Spain, independent director and member of the Appointments and Remunerations

and Good Governance Commission of the Institute of Corporate Directors and the CESCE and Telefónica Internacional companies. Moreover, she has been a member of the jury for the Princess of Asturias Award in Social Sciences. She is currently independent director of the ICO (Official Credit Institute) and member of the Plenary Session of the Spanish Arbitration Court. She is member of the Reflection Commission of the Exporters Club and member of the INCIPE trust. She is professor of Global Economics and Governance at the CUNEF (University College for Financial Studies) and the IEB (Stock Market Studies Institute). She has been awarded the Grand Cross of the Order of Civil Merit and the silver medal of the Red Cross.

The table below sets out all entities in which the Directors have been members of the administrative, management or supervisory bodies or partner at any time during the five year period preceding the date of this document, indicating whether or not each person is still a member of the administrative, management or supervisory bodies or partner in any such entities

Director	Company (*)	Position	Status
Mr. Juan Lladó Arburúa	Española de Investigación y Desarrollo, S.A.	Vice Chairman	Current
	Araltec, S.L.	Director	Current
	Tejure, S.L.	Director	Current
	Agrupación Aralar, S.A.	Director	Current
	Arafin, S.A.U.	Joint director	Current
	Aracorp Activos, S.L.U.	Joint director	Current
	Aracorp Participaciones, S.L.U.	Joint director	Current
	Araltec Corporación, S.L.U.	Joint director	Current
	Castellana 60 Propiedad, S.L.U.	Joint director	Current
	Aracorp Velázquez, S.L.U.	Joint director	Current
	Aracorp Gestión Financiera, S.L.U.	Joint director	Current
	Aragonesas Promoción de Obras y Construcciones, S.L.U.	Joint director	Current
	Agrícola Sevilla, S.L.	Joint director	Current
	Lifelke, S.L.U.	Joint director	Current
	Explotaciones Forestales de Guadalupe, S.L.U.	Joint director	Current
	Los Chiqueros, S.L.U.	Joint director	Current
	Explotaciones Varias, S.L.U.	Joint director	Current
	Arainvest Private Equity, S.A.	Joint director	Current
	Empresarios Agrupados Internacional, S.A.	Chairperson	Current
	Empresarios agrupados AIE	Manager	Current
	Initec Infraestructuras, S.A.	Manager	Non-current
	Aralar Establecimiento Financiero de Crédito	Manager	Current
	Máster S.A. de ingeniería y Arquitectura	Manager	Non-current
Mr. José Manuel Lladó Arburúa	Ideon Financial Solutions, S.L.	Joint director	Current
	Ideon North America	Director	Current
	Summa Investment Solutions, S.A.	Chairperson	Current
	Borrox Finance, S.L.	Joint director	Current
	KYCredit, S.L.	Joint director	Current
	Zepa Finance, S.L.	Manager	Current
	Araltec, S.L.	Chairperson	Current

Director	Company (*)	Position	Status
	Tejure, S.L.	Director	Current
	Layar Castilla, S.A.	Chairperson	Current
	Raisin Technology Europe, S.L.	Director	Current
	Fintonic Servicios Financieros, S.L.	Director	Current
	León Valores S.A., SICAV	Director	Current
	Agrupación Aralar, S.A.	Director	Current
	Arafin, S.A.	Joint director	Current
	Aracorp Activos, S.L.U.	Joint director	Current
	Aracorp Participaciones, S.L.U.	Joint director	Current
	Araltec Corporación, S.L.U.	Joint director	Current
	Castellana 60 Propiedad, S.L.U.	Joint director	Current
	Aracorp Velázquez, S.L.U.	Joint director	Current
	Aracorp Gestión Financiera, S.L.U.	Joint director	Current
	Aragonesas Promoción de Obras y Construcciones, S.L.U.	Joint director	Current
	Agrícola Sevilla, S.L.	Joint director	Current
	Lifelke, S.L.U.	Joint director	Current
	Explotaciones Forestales de Guadalupe, S.L.U.	Joint director	Current
	Los Chiqueros, S.L.U.	Joint director	Current
	Explotaciones Varias, S.L.U.	Joint director	Current
	Arainvest Private Equity, S.A.	Joint director	Current
	Bullfin, S.L.U.	Manager	Current
	Proyectos Fotovoltaicos Alcalá de Gurrea, S.L.U.	Manager	Current
	Fairfield, S.L.	Manager	Current
	Distribución Masiva de Derivados, S.L.	Joint director	Current
	Koala Kids, S.L.	Joint director	Current
	Odall Financial Consulting, S.L.	Manager	Current
Mr. Pedro Luis Uriarte Santamarina	Economía, Empresa y Estrategia, S.L.	Executive Chairperson	Current
	Panda Security, S.L.	Director	Current
	NTT Data Europe & Latam S.L.U.	1st Vice-Chairman	Current
	Economía, Empresa, Estrategia S.L.	Chairman	Current
	Penja Strategy S.L.	Joint administrator	Current
	La Rioja Alta, S.A.	Director	Current
	Nanotechnology Investment Group S.L.	Director	Current
	AttenBio S.L.	Director	Current
	All Iron RE I Socimi S.A.	Director	Current
	All Iron Ventures SGEIC S.A.	Director	Current
Ms. Petra Mateos-Aparicio Morales	Unicaja Banco, S.A.	Non-executive director	Non-current
	Banco Ceiss	Non-executive director	Non-current

Director	Company (*)	Position	Status
	Ghesa Ingeniería y Tecnología, S.A.	Non-executive director	Non-current
	Grupo Celulosas Moldeadas, S.A.	Director	Current
	Cámara de Comercio España-Estados Unidos	Director	Current
	Altkoca, S.A.	Director	Current
	Senectical, S.L.	Director	Current
Mr. William Blaine Richardson.....	Apco Worldwide International Advisory Council	Chairman	Current
	President Richardson Foundation	Chairman	Current
Mr. Adrián Lajous Vargas	Trinity Industries, Petrométrica	Chairman	Current
	Ternium, Oxford Institute for Energy Studies and Mario Molina Center	Non-executive director	Current
	Ternium Internacional, S.A.	Director	Current
	Centro Mario Molina	Director	Current
	Fundación de El Colegio de México	Director	Current
Mr. Alfredo Bonet Baiget	Chamber of Commerce of Spain	International Director	Current
	Association of Commercial Experts and Economists of the State	Chairman	Current
	Businessmen's Association	General Secretary	Current
	Seniors Españoles por la Cooperación Técnica (SECOT)	Vice-Chairman	Current
	CRE100DO Foundation	Vice-Chairman	Current
Mr. José Nieto de la Cierva	Banco Sabadell	Deputy Director General	Non-current
	Banco Sabadell México	Director	Current
	Sabcapital	Director	Current
	Kenta Capital Investment Management, S.L.	Chairman	Current
	Alpha Debt Holding, S.L.	Joint manager	Current
	Pamberry, S.L.	Joint manager	Current
	Bansabadell Inversio Desenvolupament, S.A.	Chairman	Non-current
	Aurica III SCR S.A.	Chairman	Non-current
	Aurica Capital Desarrollo S.A.	Chairman	Non-current
	Sinia Renovables S.A.	Chairman	Non-current
Mr. Rodolfo Martín Villa	-	-	-
Ms. Inés Andrade Moreno	Altamar CAM Partners Group	Partner and Senior Advisor	Current
	Altamar CAM Partners Group	Managing Partner & Vice President	Non-current
	Corporación Acciona Energía ARC	Independent director and President	Current
	Level20 Mentoring Program in Spain	Member of the executive committee and Director	Non-Current
	Vidrala, S.A.	Director	Current
	Intuición y Análisis, S.L.	Liquidator	Non-Current
	Grupo LAR Inversiones Inmobiliarias, S.A.	Director	Non-current

Director	Company (*)	Position	Status
Mr. Ignacio Sánchez-Asiaín Sanz ..	Weguest, S.L.	Director	Current
	Tradeslide Trading Tech Ltd.	Chairman	Current
	Tradeslide Ventures Ltd.	Director	Current
	Gobertia Global	Director	Non-current
	Gobertia CEE	Director	Non-current
	Gobertia España	Director	Non-current
	Gobertia Perú	Director	Non-current
	Oliver & Wyman	CEO	Non-current
	Sapiens Market EU Sociedad de Valores, S.A.	Chairman	Current
	Dilitrust Iberoamérica, S.L.	Chairman	Non-current
Ms. Silvia Iranzo Gutiérrez	ICO (Official Credit Institute)	Director	Current
	Indra Sistemas, S.A.	Director	Non-current
	Artificial Intelligence Structures, S.A.	Director	Current

(*) The Company considers that the term “company” refers to all types of entities other than family owned asset-holding companies.

Board of Directors’ Commissions

Audit and Control Commission

The Board of Directors Regulations provide that the Audit and Control Commission shall be composed of a minimum of three and a maximum of five members that must be non-executive Directors. Furthermore, most of its members must have the status of independent Directors. At least one of the independent directors forming part of the Commission shall be appointed taking into account his/her knowledge and experience in accounting, auditing, risk management — both financial and non-financial — or in all of them, which shall also endeavour to ensure that the other members, especially its Chairperson, have overall knowledge and experience in these areas.

The composition, responsibilities and rules of the Audit and Control Commission will be governed by the Bylaws, the Board of Directors Regulations and the Rules of Procedure of the Audit and Control Commission.

As of the date of this Prospectus, the composition of the Audit and Control Commission is as follows:

Name	Position	Nature
Mr. Ignacio Sánchez-Asiaín Sanz	Chairperson	Independent
Ms. Petra Mateos-Aparicio Morales	Member	Independent
Mr. José Nieto de la Cierva	Member	Independent
Mr. Pedro Luis Uriarte Santamarina	Member	Independent
Mr. José Manuel Lladó Arburúa	Member	Proprietary
Ms. Laura Bravo Ramasco	Non-Commission Member Secretary	-

The Chairperson of the Audit and Control Commission shall be appointed by the Board of Directors from among the independent directors forming part thereof, shall be replaced every four years, and may be re-elected after a period of one year has elapsed from the date of his/her removal. The Audit and Control Commission shall appoint a Secretary who need not be a director or a member of the commission, and who shall be the Secretary of the Board of Directors. Likewise, when the Board of Directors has a Vice-secretary, the latter shall be Vice-Secretary of the Commission.

The Audit and Control Commission shall meet as often as necessary for the performance of its functions and shall be convened by its Chairperson, either on her or his own initiative or at the request of the Chairperson of the Board of Directors or two members

of the Audit and Control Commission. During the financial year ended December 31, 2022, this Commission held 10 meetings. Since the beginning of the current year and until the date of this Prospectus, this Commission has met on 3 occasions.

Pursuant to the Company’s bylaws, the Audit and Control Commission shall exercise, at least, the following functions: report to the General Shareholders Meeting on issues raised at it on matters within its competence and, in particular, on the outcome of the audit explaining how this has contributed to the integrity of financial reporting and the role the Commission has played in this process; to monitor the efficiency of the internal control system of the Company, the internal audit and the risk management systems, as well as addressing, together with the auditor, the most significant weaknesses of the internal control system detected during the audit, all without undermining their independence; to monitor the development and preceptive financial reporting process, and submit recommendations or proposals to the Board of Directors, aimed to safeguarding its integrity; put forward to the Board of Directors the proposals of selection, appointment, renewal and replacement of the external Auditor, supervising the selection process in accordance with the provisions of the applicable legislation, as well as their contracting conditions, as well as to the conditions of its contract and request to the Auditor, on a regular basis, information about the audit plan and its execution, as well as to guarantee its independence on the execution of its duties; establish the necessary relations with external Auditors to receive information on those issues that could form a threat for their independence for consideration by the Commission; annually, issue, prior to issuance of the Audit Report, a report which will express an opinion on if the independence of the Auditor or auditing firm is jeopardized; the authority of control and monitorization of the compliance of the policy of control and risk management; report related-party transactions that must be approved by the General Shareholders’ Meeting or by the Board of Directors and supervise the internal procedure established by the Company for those for which approval is delegated; and report all matters subject to reporting as provided for by Law, the Bylaws and the Board of Directors Regulations in advance to the Board of Directors.

Appointments and Remuneration Commission

The Board of Directors Regulations provide that the Appointments and Remuneration Commission shall consist of a minimum of three and a maximum of five members, all of them qualifying as non-executive Directors. Further, at least two of whom must have the status of independent Directors.

The composition, responsibilities and rules of the Appointments and Remuneration Commission will be governed by the Bylaws, the Board of Directors Regulations and the Rules of Procedure of the Appointments and Remuneration Commission.

As of the date of this Prospectus, the composition of the Appointments and Remuneration Commission is as follows:

<u>Name</u>	<u>Position</u>	<u>Nature</u>
Mr. Alfredo Bonet Baiget	Chairperson	Independent
Mr. Rodolfo Martín Villa	Member	Other External
Mr. José Manuel Lladó Arburúa	Member	Proprietary
Ms. Inés Andrade Moreno	Member	Independent
Ms. Laura Bravo Ramasco	Non-Commission Member Secretary	-

The Chairperson of the Appointments and Remuneration Commission shall be appointed by the Board of Directors from among the independent Directors forming part of the Commission, for a period of four years, and may be re-elected one or more times for periods of the same duration. The Secretary of the Commission shall be the Secretary of the Board of Directors.

The Appointments and Remuneration Commission shall meet at least once a year to prepare the information on Directors’ remuneration to be approved and made public by the Board of Directors, and whenever convened by its Chairperson, preferably four times a year. The Appointments and Remuneration Commission shall be convened by the Secretary of the Commission, by order of the Chairperson, with at least five days’ notice, except in cases of emergency. During the financial year ended December 31, 2022, this Commission held 8 meetings. Since the beginning of the current year and until the date of this Prospectus, this commission has met on 2 occasions.

The Appointments and Remuneration Commission shall be validly formed when a majority of its members concurred, either present or represented. Resolutions shall be adopted by a majority of the members present or represented.

Pursuant to the Company's bylaws, the Appointments and Remuneration Commission shall at least have the following duties: assessing the competences, knowledge and experience necessary for the Board of Directors; establishing a target of representation for the gender least represented on the Board of Directors and issuing guidelines on how to reach such target; submitting the proposed appointments of independent Directors to the Board of Directors for designation by means of the co-optation procedure or by submitting such decision to the General Shareholders' Meeting in addition to any proposals for re-election or dismissal of said Directors by the General Shareholders' Meeting; reporting the proposed appointments of all other Directors for their designation by means of the co-optation procedure or by submitting such decision to the General Shareholders' Meeting in addition to any proposals for re-election or dismissal by the General Shareholder's Meeting; reporting the appointment of a Chair and Vice-Chair(s) of the Board of Directors; reporting the appointment of a CEO; reporting the appointment of a Secretary and Vice-Secretary of the Board of Directors; proposing Directors for each of the commissions in accordance with their knowledge, skills and experience and each commission's tasks; reporting the proposed appointments and dismissals of senior management and the basic characteristics of their contracts; reviewing and organizing the succession of the Chair of the Board of Directors as well as the Company's top executive and, as appropriate, formulating proposals for the Board of Directors so that such succession occurs in an orderly and planned manner; proposing a remuneration policy to the Board of Directors for Directors, chief officers and those in senior management roles directly reporting to the Board of Directors or the Executive Commission or the CEO(s), as appropriate, as well as any individual compensation and other contractual conditions for executive Directors, ensuring the observance thereof.

Management and Risk Commission

The Risk and Management Commission shall be formed by a minimum of three and a maximum of eight directors, appointed by the Board of Directors, and may include an executive director. Furthermore, efforts shall be made to ensure that the members of the commission, as a whole, are appointed considering their knowledge and experience in those areas that may be appropriate for the performance of their duties by the Risk and Management Commission, such as economics and finance, and their ability and experience to fully understand and control the Company's risk strategy, without prejudice to also seeking to favour gender diversity and other diversity criteria of its members. Efforts shall also be made to ensure that the members of the commission have the relevant technical expertise in relation to the sector of activity to which the Company belongs.

The composition, responsibilities and rules of the Risk and Management Commission will be governed by the Bylaws, the Board of Directors Regulations and the Rules of Procedure of the Risk and Management Commission.

As of the date of this Prospectus, the composition of the Risk and Management Commission is as follows:

Name	Position	Nature
Mr. Juan Lladó Arburúa	Chairperson	Executive
Mr. Pedro Luis Uriarte Santamarina	Member	Independent
Mr. Ignacio Sánchez Asiaín Sanz.....	Member	Independent
Mr. Rodolfo Martín Villa	Member	Other external
Ms. José Manuel Lladó Arburúa	Member	Proprietary
Mr. José Nieto de la Cierva	Member	Independent
Mr. Alfredo Bonet Baiget	Member	Independent
Ms. Laura Bravo Ramasco	Non-Commission Member Secretary	

The commission shall ordinarily meet at least eight times a year. It shall also meet whenever the Board of Directors or its Chairperson requests the issuance of a report or the adoption of proposals within the scope of its competencies and, in any case, whenever it is convenient for the proper performance of its duties. During the financial year ended December 31, 2022, this

commission held 8 meetings. Since the beginning of the current year and until the date of this Prospectus, this commission has met on 1 occasion.

Without prejudice to any other duties that may be assigned at any time by the Board of Directors, the Management and Risks Commission's responsibilities shall include at the very least: (a) periodically reviewing the impact of operations and planning by the Company and its Group; (b) analysing the financial efficiency and resources of each project undertaken by the Company and its Group; (c) analysing the guidelines of the commercial policies and analysing the conditions for the most relevant bids of the Company or its Group; (d) carrying out regular monitoring of the Company's projects, with special focus on those which are most significant in economic, technical or reputational terms; (e) monitoring the periodic analyses of any geopolitical situation of the countries where the Company or its Group operates; (f) conducting periodic analyses of the solvency ratios of clients and suppliers. g) Developing and monitoring the risk map of the Company and its Group; (h) Advising the Board of Directors on the Company's and its Group global approach and strategy; and (i) with respect to all the previous items, bolster the compliance system and activities of the Company and its Group. Where necessary, the Management and Risks Commission shall perform its stipulated functions in coordination with the Audit and Control Commission.

Senior Management

The Company's Senior Management ("**Senior Management**") is composed by the Executive Chairperson and the people identified below:

Name	Title
Mr. Juan Lladó Arburúa	Executive Chairperson
Mr. Eduardo Jesús San Miguel González de Heredia	Chief Executive Officer
Mr. Arthur Wallace Crossley Sanz.....	Deputy Chief Executive Officer and Chief Commercial and Strategy Officer
Mr. Jesús Antonio Rodríguez	Chief Operating Officer
Mr. Javier Díaz Hevia	Chief Financial Officer
Ms. Laura Bravo Ramasco	Secretary of the Board of Directors – Chief Sustainability Officer
Mr. Miguel Ángel Paradinas Márquez	Chief Corporate Officer
Mr. Emilio Gómez Acevedo	Chief Legal Officer
Mr. Hugo Mínguez Campos	Chief Human Resources Officer
Mr. José María González Velayos.....	Chief Audit Officer

Below is a brief description of the qualifications and professional experience of the members of the Company's Senior Management who do not serve on the Board of Directors.

Mr. Eduardo Jesús San Miguel González de Heredia

Eduardo San Miguel holds a double degree in Law and Business Science by Universidad Pontificia de Comillas (Icade) and has an extensive career in the consulting and financial sector with more than 25 years of experience. He started working 19 years ago in the Financial Department of Técnicas Reunidas and was appointed CFO in 2013. He led the Group's Initial Public Offering in 2006 and created a supporting financial structure to expand the business of the company, which multiplied by ten its size during these years. In February 2022, he was named CEO and is leading the Group's transition to more sustainable solutions. Before joining Técnicas Reunidas, he worked for 10 years for the consulting firm Arthur Andersen, as well as CFO for the Spanish subsidiary of great media groups for 3 years where he was responsible of the reorganization and purchase processes.

Mr. Arthur Wallace Crossley Sanz

Arthur Crossley is an electrical engineer with more than 30 years of experience in Engineering and Contracting Sectors. Currently, he serves as Deputy CEO, Chief Commercial and Strategy Officer of Técnicas Reunidas Group. In his more than 19 years within the Company, Arthur has leaded teams in multiple projects and managed some of the international companies of the Group performing high-responsibility roles. As a result, he brings together a high technical vision of the oil and gas field, among others.

He has also been focused on commercial, strategic and business planning, contributing to Técnicas Reunidas' business expansion worldwide.

Mr. Jesús Antonio Rodríguez Rodríguez

Jesús Antonio Rodríguez is a PhD in Chemistry by the Complutense University of Madrid with more than 25 years of experience in Técnicas Reunidas. In 2020 he was appointed Chief Operating Officer of the Group, a role that he is performing since. His experience with relevant refining units and managing positions in the Refining and Petrochemistry business area are a consequence of his leadership as Project Director since 2003. Among others, he led the Socar Turkey Aegean Refinery Project which, as a high-complexity oil refinery, has been one of the biggest investment projects in Turkey. His participation in diverse international projects along with management of large size LSTK projects positions him as a valuable technical expertise.

Mr. Javier Díaz Hevia

Javier Díaz Hevia is a PhD in Applied Economics with the distinction of "cum laude" by the National Distance Education University with more than 20 years of experience in financial departments of corporate firms. He joined Técnicas Reunidas in 2006 as Head of the Treasury and Financing Department and was appointed CFO Deputy in 2020. Since 2022 he is the Chief Financial Officer of the Group. Previously to his career in Técnicas Reunidas, Javier worked also for the treasury team at Telefonica and as a consultant at PwC. In 2014 he participated in IESE's program for management development.

Ms. Laura Bravo Ramasco

Laura Bravo is a corporate attorney with 30 years of experience in the legal field in connection with the engineering and industrial sectors. She holds a Law BA by the Deusto University and an MA Legal Business by the IE Business School. Ms Bravo has been the Secretary of the Board of Directors of the Company since 2002 and is in charge of all corporate affairs and governance matters of the parent company and its subsidiaries. Among her principal responsibilities are enabling the smooth running of the Board of Directors and its Commission, providing the necessary guidance and information as well as fulfilling all the obligations of a listed company, which includes interacting with the Spanish regulator. Since 2013 she has lead sustainability efforts as well as Non-Financial Information Reporting and EU Taxonomy. Ms. Bravo became company's first Chief Sustainability Officer in 2016. Additionally, she leads the Insurance Program of the Group. Before joining Técnicas Reunidas, Laura Bravo worked for other listed companies like Amadeus or Indra.

Mr. Miguel Ángel Paradinas Márquez

Miguel Ángel Paradinas is a mining engineer from the Polytechnic University of Madrid, specialized in power generation, with more than 30 years of experience in the energy sector. He started working in Técnicas Reunidas 32 years ago, having held numerous positions in both operations and sales, as Commercial Director and Deputy Chief Executive Officer. Since 2022 he serves as Chief Corporate Officer of the Group. He is also Chairperson of several Técnicas Reunidas international branches worldwide, and a member of the Advisory Board of the Mining and Power Engineering University of Madrid.

Mr. Emilio Gómez Acevedo

Emilio Gómez Acevedo is a lawyer with more than 30 years of experience in the legal expertise, always linked to engineering, design and construction of industrial plants, mainly in the oil and gas industry. Since 1998, he has been the Chief Legal Officer of Técnicas Reunidas and in 2020, he was appointed as Chief Legal Officer of the Group. Previously, he held various positions as Head of the Legal Department in companies of the INDRA Group. Since 2008 he has represented Técnicas Reunidas as a Sponsor in the ENGINEERING & CONSTRUCTION RISK INSTITUTE, an initiative of the World Economic Forum, dedicated to the development and promotion of good practices and risk management based on in-depth knowledge of the engineering and construction sector.

Mr. Hugo Mínguez Campos

Hugo Mínguez Campos is an industrial engineer by the Polytechnic University of Alcalá, with a postgraduate degree in Human Resources and organization management by ESADE, and with more than 25 years of experience in the human resources field. In his 20 years at Técnicas Reunidas, he has held various human resources-related positions, and since 2019 he is the General

Manager of Human Resources and General Services. Before joining Técnicas Reunidas, he was Head of Human Resources at Citibank Group.

Mr. José María González Velayos

José María González Velayos is an auditor with an extensive experience in the engineering and construction sector. He holds a degree in Economics and Business Administration by the Complutense University of Madrid and an Executive MBA by ESADE, among others. In his more than 25 years of experience, José María has always worked in auditor and due diligence positions, analysing public and private entities. He joined Técnicas Reunidas in 2008 as Chief Audit Executive and reports directly to the Audit Commission and the Executive Chairperson. Previously to his career in Técnicas Reunidas, José María worked for the well-known company PwC for more than 8 years. He has also participated as a lecturer at some postgraduate courses.

As of the date of this Prospectus, no member of the Senior Management other than the Executive Chairperson has been appointed (except for any family owned asset-holding companies) as member of the administrative, management or supervisory bodies or partner of any entity at any time during the five-year period preceding the date of this Prospectus

Securities Markets Code of Conduct and Corporate Governance

Securities Markets Code of Conduct

The Company has implemented and defined a transparent set of rules and regulations for compliance with market abuse regulations which is compliant with Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (“**MAR**”). On May 22, 2020, the Board of Directors adopted a new version of the Internal Code of Conduct in matters concerning Securities Markets (*Reglamento Interno de Conducta*) (the “**Internal Code of Conduct**”).

The Internal Code of Conduct regulates, among other things, the directors’ and managers’ conduct with regard to the treatment, use and disclosure of the Company’s material non-public information. The Internal Code of Conduct applies to, among other persons, all members of the Board of Directors, Senior Management and employees who have access to material non-public information and to the Company’s external advisors when they handle such material non-public information.

The Internal Code of Conduct, among other things:

- Regulates the conduct of the Company’s directors and managers with regard to the treatment, use and disclosure of the Company’s inside information.
- Establishes the restrictions on, and conditions for, the dealing with Company’s securities or other financial instruments referencing them by persons subject to the Internal Code of Conduct and by those who possess inside information.
- Provides that persons subject to the Internal Code of Conduct must not engage in market manipulation with respect to the securities or other financial instruments of the Company.

Conflicts of interest

Pursuant to article 229 of the Spanish Companies Act, directors (and related parties to directors) should abstain from:

- Carrying out transactions with the Company, excluding ordinary transactions, of limited amount and undertaken in standard conditions applicable to all customers.
- Using the name of the Company or its capacity as director to unduly influence private transactions.
- Using corporate assets, including confidential information on the Company, for private purposes.
- Taking advantage of business opportunities of the Company.
- Obtaining advantages or compensation from third parties other than the Company associated with their post unless they are a mere compliment.
- Carrying out activities, on their own or on behalf of third parties, which may compete with the Company or which could put the director in a permanent conflict with the interest of the Company.

Each member of the Board of Directors is required to report to the Board of Directors any circumstances that may give rise to a conflict of interest, direct or indirect, with the Company. In any event, any situations of conflict in which the Company's directors may be involved shall be reported in the notes to the financial statements and in the annual corporate governance report. In this regard, Mr. Juan Lladó Arburúa informed the Company that he holds the position of Vice-chairperson of Española de Investigación y Desarrollo, S.A., which is a company fully owned by the Company. After the relevant assessment, it was concluded that there is no conflict of interest.

Members of the Board of Directors shall abstain from participating in the debate and voting on resolutions or decisions in connection with which such directors or any person related to them are affected by a conflict of interest, whether direct or indirect.

Additionally, directors should abstain from engaging in commercial or professional transactions which may give rise to a conflict of interest, without having first informed and received approval from the Board of Directors or the General Shareholders' Meeting, as the case may be, which shall request a report from the Audit and Control Commission, without the conflicted directors involved, to attest that the transaction is fair and reasonable from the perspective of the Company and external shareholders. Such authorization shall not be necessary for transactions entered into with the Company which are not deemed to be related party transactions under applicable law or which authorization may be delegated by the Board of Directors, in which case the Company will establish control mechanisms for monitoring compliance therewith.

Other than as set out in the "*Related Party Transactions*" section, there are no potential conflicts of interest between any duties owed by the Directors or Senior Management to the Company and their private interests or other duties.

Corporate governance

The Company has implemented a defined and transparent set of rules and regulations for corporate governance which is compliant with applicable Spanish governance standards.

As of the date of this Prospectus, the Company believes that it substantially complies with the recommendations of the Spanish Unified Good Governance Code for listed companies, in its version approved as of June 25, 2020 (*Código de buen gobierno de las sociedades cotizadas* or the "**Good Governance Code**"). Certain of the Company's corporate practices as of the date of this Prospectus, however, currently vary from the Good Governance Code in certain respects, as set forth below.

- Recommendation number 3: the Company partially complies with this recommendation. As explained during the General Shareholders' Meeting held on June 28, 2022, the Company did mention in the General Shareholders' Meeting held on June 28, 2022 the changes that occurred in corporate governance matters since the 2021 ordinary General Shareholders' Meeting, but not the specific reasons why the Company does not follow certain recommendations of the Corporate Governance Code, considering that it already provides its shareholders with sufficient information on this matter. In particular, on the occasion of the call of its ordinary General Shareholders' Meeting it makes available to its shareholders various documentation, including the Annual Corporate Governance Report, where it explains in detail the specific reasons for partial compliance or failure to follow some of the Recommendations of the Corporate Governance Code.
- Recommendation number 5: the Company does not comply with this recommendation. The General Shareholders' Meeting held on June 25, 2020 approved a resolution authorizing the Board of Directors to resolve on the issue of convertible bonds or any other security which could entitle holders thereof either directly or indirectly to subscribe for Shares of the Company, excluding preemptive subscription rights, without previously convening the General Shareholders', for an amount of 50% of the share capital at the time of the delegation. Additionally, the General Shareholders' Meeting held on June 29, 2021, approved to delegate powers to the Board of Directors to increase the capital share, excluding the pre-emption right by an amount of 50% of the capital at the time of the delegation. This 50% is the maximum value, so the Board of Directors may adjust it when the time comes, if deemed better for the social interest. The Board of Directors has preferred not to approve the limit established in recommendation number 5 of the Corporate Governance Code so it does not self-limit the Company's financing capacity. Notwithstanding the foregoing, there has been no capital increases pursuant to these authorizations (the Offering will be executed pursuant to the second authorisation).
- Recommendation number 15: the Company partially complies with this recommendation. The number of female board members is currently 3 out of a total of 12 directors (25%). This figure was reached after the appointment of Ms. Silvia Irazo

Gutiérrez as independent director of the Company on June 28, 2022. Along the same lines, the director appointment and re-election procedure of the Company takes into account the Policy on Selection of Directors and Diversity in the Board of Directors of Técnicas Reunidas, S.A., which includes explicit provisions regarding diversity in the composition of the Board of Directors and establishes that "(...) in particular, regarding the presence of female directors in the Board of Directors of the Company, it will promote compliance with the objective established at any time by the Good Governance Recommendations".

- Recommendation number 25: the Company considers that compliance with this Recommendation is partial, since the Board of Directors' Regulations do not include the maximum number of company Boards on which its directors may sit. This rule has not been incorporated into the Board Regulations, although it is considered that the purpose of the same is covered by expressly attributing to the Appointments and Remuneration Commission, in Article 14.2 of the Regulations, the function of ensuring that non-executive directors have sufficient time available for the proper performance of their duties". In addition, and to this end, the Board of Directors' Regulations, in Article 35.2, establish the obligation of the directors to inform the Company of the positions they hold on the Board of Directors of other listed companies and, in general, of the facts, circumstances or situations that may be relevant to their performance as directors of the Company in accordance with the provisions of the Regulations. It is therefore considered that these provisions are sufficient for the purpose of assessing the time dedication that directors must have, understanding that a fixed rule regarding the maximum number of Boards could be less efficient to achieve this objective, since, taking into account the particular circumstances of each director, the set of activities in addition to the position of director in the Company and the type of dedication required in the companies in question, the limitation could be insufficient or excessive, leading to the ineligibility of persons of extreme professional value to be candidates for directorships or to be excluded from such positions.
- Recommendation number 40: the Company partially complies with this recommendation. Notwithstanding the fact that the Company has an Internal Audit unit that oversees the proper functioning of the information and internal control systems, this unit reports functionally to the Executive Chairperson and acts under the supervision of the Audit and Control Commission of the Company.
- Recommendation number 45: although the Company has implemented the necessary control systems and procedures, it is considered that compliance with this Recommendation is partial since it does not expressly include in a formal document the establishment of the level of risks that the Company considers acceptable, although there are indicators and parameters that the people responsible for the different areas must evaluate and take into account. The Company's risk control and management systems analyse and develop the financial and non-financial risks related to the bid preparation phases (in particular, operational, technological, legal, social, environmental and political risks) and, if applicable, the execution of the projects by the Company, as well as the internal information and control systems used to control and manage them and the measures foreseen to mitigate the impact of the risks identified above, should they materialize.
- Recommendation number 46: the Company partially complies with this recommendation. Notwithstanding the fact that there is no internal function, unit or department within the Company, the Company's internal audit department performs the duties provided for in the Recommendation with respect to the Company's risks on internal control over financial reporting. Non-financial risks, in accordance with the Company's risk control and management system, are assessed, if applicable, by the operational areas or non-operational departments of the Company that perform these duties in practice, without an explicit assignment thereof in the Company's corporate documentation.
- Recommendation number 47: the Company partially complies with this recommendation. The Appointments and Remuneration Commission is composed of 4 members, 2 of whom are independent directors, therefore the majority of the members of the Appointments and Remuneration Commission are not independent directors. All of them have been appointed with the knowledge, skills and experience appropriate to the duties they are called upon to perform, such as human resources, selection of directors and executives and design of remuneration policies and plans, without prejudice to also seeking to favour gender diversity and other diversity criteria of its members.
- Recommendation number 52: the Company partially complies with this recommendation. The rules governing the composition and operation of the Risk and Management Commission are expressly set forth in the Board of Directors' Regulations for all the matters stated, except for items a) and b) (the Executive Chairperson is a member of the Risk and

Management Commission, which he chairs) and the final clause of item c) “report on their activities at the first board plenary following their meetings, and be accountable for the work performed”, although the Risk and Management Commission does perform this task in practice. In addition, the Risk and Management Commission has 7 members, 4 of whom are independent.

- Recommendation number 59: the Company partially complies with this recommendation. In accordance with the 2020-2022 Directors Remuneration Policy, the payment of variable remuneration will be deferred and will only occur after the end of the financial year, so that the Company can carry out the evaluation and verification of compliance of the parameters established for the determination of said remuneration. The evaluation will be carried out, among other aspects, on the basis of the annual results of the Company and its consolidated group, which will be analysed by the Audit and Control Commission. After this analysis, the Appointments and Remuneration Commission will submit the proposal for variable remuneration to the Board of Directors, which will approve, as the case may be, the amount of variable remuneration that corresponds. This information has been added in section A.1 of the Annual Report on the Remuneration of the Directors of the Company corresponding to the financial year 2022. In any case, taking into account the objectives, commitments and interests of the Company, no variable remuneration has accrued during the financial year 2022.
- Recommendation number 61: the Company does not comply with this recommendation. The variable remuneration of the executive director does not entail the delivery of shares or financial instruments referenced to their value, since the Company does not consider it necessary due to the fact that the executive director has a historical and shareholding relationship with the Company, so it is understood that his long-term interests are already sufficiently aligned with the Company.
- Recommendation number 63: although the contractual agreement does not include a clause to this effect, the Company would take the necessary measures to claim the reimbursement of the variable components of the remuneration when the payment was not in line with the performance conditions or when they were paid on the basis of data subsequently proven to be inaccurate, if applicable.
- Recommendation number 64: the Company partially complies with this recommendation as the Directors' Remuneration Policy limits remuneration for early termination in the event of separation from the position of director or any other form of termination of the legal relationship with the Company that serves as the basis for the remuneration of delegated or executive duties not due to a breach attributable to the director, for a maximum amount equivalent to the amount of the last two annual payments of (a) the fixed remuneration, (b) the variable remuneration, and (c) the amounts received by virtue of the special agreements with the Social Security that had been subscribed, if any. Although it is not expressly contemplated in the Directors' Remuneration Policy or in the contract signed between the Company and the Executive Chairperson, the Company shall not proceed to pay this amount until it has been able to verify that the director has complied with the criteria or conditions established for its receipt.

The Company also has a corporate website (www.tecnicasreunidas.es) through which it informs its shareholders, investors and the market at large of any significant events. Neither the Company's website nor any of its contents form part or is incorporated into this Prospectus, whether by reference or otherwise, except as otherwise provided herein. The CNMV has not examined nor approved the Company's website nor any of its contents.

Share ownership

The tables below sets out the Shares directly or indirectly held by members of the Board of Directors and Senior Management as of the date of this Prospectus.

Director	Number of shares	%
Mr. Pedro Luis Uriarte Santamarina	10,000	0.02
Mr. Rodolfo Martín Villa	100	0.00
Ms. Inés Andrade Moreno	4,398	0.01
Mr. Ignacio Sánchez-Asiaín Sanz	10,000	0.02
Total	24,498	0.05

Senior Management	Number of shares	%
Ms. Laura Bravo Ramasco	533	0.00
Total	533	0.00

As of the date of this Prospectus, the Board of Directors of the Company has approved a long-term variable remuneration plan of Shares under which the Company's management heads of each area will be entitled to receive a certain amount of Shares. See—“*Compensation—Loyalty Plan 2023-2025*” for further information on the remuneration policy of the Directors and members of the Senior Management.

Compensation

Compensation of Directors

In accordance with the provisions of the Company's bylaws and the Board of Directors Regulations, the remuneration of the Directors, in their capacity as such, shall consist of the following concepts: (i) a fixed annual allowance for their membership of the Board of Directors; (ii) an additional annual fixed allocation for the Chairpersonship of the delegate or advisory commission to which they belong; and (iii) allowances for effective attendance at the meetings of the Board of Directors and of the delegated or advisory commission to which they belong.

The fixed annual allowance for the directors in their capacity as such, shall not exceed the quantity set forth to this end by the remuneration policy approved by the General Shareholders' Meeting, which as of the date of this Prospectus is set at €5,000 thousand. The remuneration policy for the Directors is approved by the General Shareholders' Meeting at least every three years with a prior proposal from the Board of Directors that is supported by a specific report from the Appointments and Remuneration Commission.

Each year, the Company's Board of Directors will determine the overall amount of remuneration for directors for their service in their capacity as director, within the maximum limit set at the General Shareholders' Meeting, and will distribute this amount among the directors taking into account their membership of the commission, the positions they hold, their work in the service of the Company, as well as the specific contributions that directors make by virtue of their qualifications and professional experience.

The 2022 annual report on the remuneration of Directors includes information on the remuneration policy of the Company for the current financial year, an overall summary of how the remuneration policy was applied during the most-recently closed period, details of the individual remuneration of each of the Directors and other information of interest.

The remuneration of the directors must in any case keep a reasonable proportion with the importance of the Company, the economic situation it had at all times and the market standards of comparable companies. The remuneration system established must be aimed at promoting the profitability and long-term sustainability of the Company and incorporate the necessary precautions to avoid the excessive assumption of risks and the reward of unfavourable results. In particular, the Board of Directors

will adopt all the measures within its reach to ensure that the remuneration of external directors, including the remuneration they receive as members of the commission, complies with the following guidelines:

- a) The external directors must be remunerated based on their effective dedication, qualification and responsibility.
- b) The remuneration of external directors should be that necessary to attract and retain directors of the desired profile, but not so high as to compromise their independence of judgement.

Executive Directors will be entitled to receive additional remuneration for the executive functions they perform in accordance with the relevant contract entered into between the Director and the Company on July 24, 2016 after he was appointed Executive Chairperson. The contracts were approved by the Board of Directors, following the report of the Company's Appointments and Remuneration Commission. The Board of Directors shall fix the remuneration for the performance of executive duties and the terms and conditions applicable to the contracts entered into by the Company in accordance with the remuneration policy approved by the General Shareholders' Meeting.

The table below shows the remuneration paid for the year ended December 31, 2022 to the directors in office during such year in thousands of €.

Name	Fixed remuneration	Per diem expenses	Remuneration for membership of board commissions	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other concepts	Total 2022
Mr. Juan Lladó Arburúa	55	39	-	800	-	-	-	4	898
Mr. José Manuel Lladó Arburúa	55	39	102	-	-	-	-	-	196
Mr. Pedro Luis Uriarte Santamariana	55	39	78	-	-	-	-	-	172
Ms. Petra Mateos-Aparicio Morales	55	39	52	-	-	-	-	-	146
Mr. William Blaine Richardson	55	39	-	-	-	-	-	331	425
Mr. Adrián Lajous Vargas	200	39	-	-	-	-	-	-	239
Mr. Alfredo Bonet Baiget	55	39	79	-	-	-	-	-	173

Mr. José Nieto de la Cierva	55	39	62	-	-	-	-	-	156
Mr. Rodolfo Martín Villa	55	39	64	-	-	-	-	-	158
Ms. Inés Andrade Moreno	55	39	40	-	-	-	-	-	134
Mr. Ignacio Sánchez-Asiáin Sanz	55	39	64	-	-	-	-	-	158
Silvia Iranzo Gutiérrez	28	18	-	-	-	-	-	-	46
Mr. Juan Miguel Antoñanzas Pérez-Egea ^(*)	27	21	-	-	-	-	-	-	48
Mr. Fernando de Asúa Álvarez ^(*)	27	21	32	-	-	-	-	-	81
Mr. Javier Gómez-Navarro Navarrete ^(*)	27	21	-	-	-	-	-	-	48
TOTAL	859	510	573	800	-	-	-	335	3,078

^(*) As of the date of this Prospectus, such individuals are no longer directors of the Company

In relation to the above table, the remuneration received by Mr. William Blaine Richardson for other concepts (which amounted to €331,000 in the year ended December 31, 2022) is due to the consultancy contract entered into between the Director and the Company on March 11, 2011, and which is automatically extended for periods of one year. The different fixed remuneration of Mr. Adrián Lajous Vargas (which amounted to €200,000 in the year ended December 31, 2022), is considered to be justified by objective circumstances linked to the specific contributions that Mr. Adrián Lajous Vargas can make to the collective duties of the Board of Directors considering his professional qualifications and experience.

With regards to the executive directors, the Company offers a remuneration mix which includes: (i) a fixed remuneration, both in his condition as director and a salary for his executive duties; (ii) a variable remuneration, which is limited to the Executive Chairperson and aims at strengthening the director's commitment to the Company and as a performance incentive, linking part of this remuneration to the Company's performance and the director's individual performance; (iii) pension schemes; and (iv) other conditions set out in the contract of the Executive Chairperson.

According to the Directors' Remuneration Policy, the Executive Chairperson shall be entitled to a long-term savings scheme linked to retirement, permanent disability in the degrees of total, absolute and severe disability, and death, for the purpose of supplementing his public social security benefits. Specifically, the Executive Chairperson shall be entitled to the Company's general social benefits system, whereby the Company makes a supplementary contribution to the contracted pension plan in addition to that made by the Executive Chairman himself, the amount of which depends on various factors such as, for example, length of service in the Company. The Executive Chairperson shall be entitled to participate in any long-term savings systems

approved by the General Shareholders' Meeting, at the proposal of the Board of Directors, following a report from the Nomination and Remuneration Commission.

As indicated in the above table, for fiscal year 2022, the Executive Chairperson received as fixed compensation €55 thousand as fixed remuneration for his condition as director and €800 thousand as salary for his executive duties and for per diem expenses for attending Board of Directors' meetings €39 thousand. He is also beneficiary to a life and accident insurance contribution in application of the system for all Company employees for an amount of c.€4 thousand.

The Company did not make any contributions of any kind to the private pension plan held by the Executive Chairperson. Also, taking into account the objectives, commitments, and interests of the Company, no variable remuneration has been accrued during the last fiscal year.

As of the date of this Prospectus, no amount has been set aside or accrued by the Company or in any of its subsidiaries to provide for pension, retirement, or similar benefits of the Directors or the Senior Management.

In the event of termination of the Executive Chairperson's contract, he is entitled to a termination payment equal to a fixed amount equivalent to two years of his total annual remuneration.

Likewise, the SEPI Financial Support includes a covenant limiting the remuneration of the members of the Board of Directors which, until 75% of the SEPI Financial Support has been repaid (i) shall not exceed the fixed part of the director's remuneration in force at the end of the financial year 2019 and (ii) shall not include bonuses or other elements of variable or equivalent remuneration. The remuneration explained herein is compliant with the SEPI Financial Support.

As of December 31, 2022, no member of the Board of Directors (i) has obtained any remuneration for their seat on the boards of other Group companies, nor (ii) has received from the Company advance payments, loans or guarantees. Additionally, the Company has not made any contributions of any kind to the private pension plan of any member of the Board of Directors as of December 31, 2022.

Compensation of Senior Management

The summary table below outlines all remunerations paid to the Senior Management, including the chief executive officer, by the Company and its subsidiaries for their role as such for years 2022, 2021 and 2020. The below table includes amounts paid to individuals who are not members of the current Senior Management.

	For the year ended December 31, 2022	For the year ended December 31, 2021	For the year ended December 31, 2020
		<i>(in thousands of euros)</i>	
Total remuneration	4,503	4,548	4,877

The members of Senior Management generally have a remuneration mix which includes a fixed remuneration and a variable remuneration, which in turn includes an annual variable remuneration and a multi-year variable remuneration. The variable remuneration is conditional to the certain quantifiable objectives that are established at the beginning of the relevant period. The variable annual remuneration based on objectives amounts in average to up to c. 50% of the fixed remuneration, assuming full achievement of such objectives. Additionally, during the 2022 financial year, the Company paid to the Senior Management of the Group advances amounting to €5 thousand. No member of the Senior Management has received from the Company loans or guarantees as of December 31, 2022. Additionally, the Company has not made any contributions of any kind to the private pension plan of any member of the Senior Management as of December 31, 2022.

The Company has entered into an executives and directors civil liability policy for the Directors, the Executive Director, all directors of the companies of the Group, and senior management, at a cost amounting to €340 thousand as of December 31, 2022.

The agreements with two senior executives provide that, in the event of unfair dismissal, they would be entitled to termination benefits for an amount of €2,728 thousand in one case and €2,346 thousand in the other.

Incentive plans for Directors and Senior Management

Executive Chairperson's LTIP 2020-2022

A long-term variable remuneration plan was approved in July 2020 to incentivize the Executive Chairperson, who was the sole beneficiary, for fiscal years 2020-2022 ("**Executive Chairperson's LTIP 2020-2022**"). The Executive Chairperson's LTIP 2020-2022 was suspended until the 75% of the SEPI Financial Support is redeemed due to the agreements signed between the Company and SEPI (see "*Operating and Financial Review—Borrowings—SEPI Financial Support*").

The Executive Chairperson's LTIP2020-2022 was designed in accordance with the principle of prudence and took into account current trends in comparable companies and the best practices of various actors in the market. The purposes of the LTIP 2020-2022 were the following:

- To promote reciprocal value creation for the Company, its shareholders and the Executive Chairperson.
- To guide the management team toward the achievement of business plan objectives.
- To strengthen the dedication and engagement of the Executive Chairperson in the performance of his duties.
- To incentivize the professional performance of Executive Chairperson over the long term.
- To promote the Company's sustainability for the creation of long-term value.

The Executive Chairperson's LTIP 2020-2022 had a timeframe of three years, applicable to fiscal years 2020, 2021 and 2022, and was envisaged to be paid out, as appropriate, in the fiscal year 2023, after the approval of the annual financial statements and once the Board of Directors ascertained the degree of compliance with the objectives. The settlement was expected to be in cash.

The LTIP 2020-2022's fundamental parameters included at least two financial objectives representing long-term value creation and/or Company profitability. In particular, the following objectives and weighting were taken into account: (a) total shareholder return in relation to the comparison group (30%); (b) cumulative EBITDA for the period (60%); (c) qualitative factors linked to the strategic plan (10%).

The above targets were linked to an achievement scale that includes a minimum threshold below which the LTIP is not paid out. In particular, a minimum of 80% of the EBITDA target is required.

The setting of targets and their weighting were established to be responsibility of the Board of Directors, at the proposal of the Company's Appointments and Remuneration Commission. The Company's Annual Report on Directors' Remuneration for each year, except for the year ended December 31, 2022, when the plan was suspended in compliance with the SEPI Financial Support, provide details of the implementation of the specific objectives for each fiscal year and the corresponding degree of compliance.

Due to the suspension of the plan, no amounts have been paid nor will be paid under the Executive Chairperson's LTIP 2020-2022.

Executive Chairperson's LTIP 2023-2025

As per the Directors' Remuneration Policy for fiscal years 2023-2025, a long-term variable remuneration plan ("**Executive Chairperson's LTIP 2023-2025**") is in place to incentivize the retention of its beneficiaries, which at the date of this Prospectus only includes the Executive Chairperson. The Executive Chairperson's LTIP 2023-2025, was approved in by the General Shareholders' Meeting in June 2022 and is currently suspended until the 75% of the SEPI Financial Support is redeemed due to the agreements signed between the Company and SEPI (see "*Operating and Financial Review—Borrowings—SEPI Financial Support*").

As per the Directors' Remuneration Policy for fiscal years 2023-2025, which was approved by the General Shareholders' Meeting held on June 28, 2022, the maximum possible annual amount to which the Chairperson's LTIP 2023-2025 may give rise shall be equal to 75% of the annual fixed remuneration of the Executive Chairperson (which, in turn, amounts to €800 thousand per annum). Consequently, if the requirements envisaged in the Chairperson's LTIP 2023-2025 below are met, the maximum amount to be paid to the Executive Chairperson will be c. €1,800 thousand.

The Executive Chairperson's LTIP 2023-2025 was designed in accordance with the principle of prudence and took into account current trends in comparable companies and the best practices of various actors in the market. The purposes of the Executive Chairperson's LTIP 2023-2025 are as follows:

- To promote reciprocal value creation for the Company, its shareholders and the Executive Chairperson.
- To guide the Executive Chairperson towards the achievement of the business plan objectives.
- To strengthen the dedication and engagement of the Executive Chairperson in the performance of his duties.
- To incentivize the professional performance of Executive Chairperson over the long term.
- To promote the Company's sustainability for the creation of long-term value.

The Executive Chairperson's LTIP 2023-2025 will have a timeframe of three years, applicable to fiscal years 2023, 2024 and 2025, and will be paid out, as appropriate, in fiscal year 2026, after the approval of the annual financial statements and once the Board of Directors has ascertained the degree of compliance with the objectives. The settlement will be in cash.

The Executive Chairperson's LTIP 2023-2025's fundamental parameters will include at least two financial objectives representing long-term value creation and/or Company profitability. In particular, the following objectives and weighting will be taken into account: (a) total shareholder return in relation to the comparison group (30%); (b) cumulative EBITDA for the period (60%); (c) qualitative factors linked to the strategic plan (10%).

The above targets are linked to an achievement scale that includes a minimum threshold below which the Executive Chairperson's LTIP 2023-2025 will not pay out. In particular, a minimum of 80% of the EBITDA target will be required.

The setting of targets and their weighting will be the responsibility of the Board of Directors, at the proposal of the Company's Appointments and Remuneration Commission. As of the date of this Prospectus, the targets and their weighting have not been set. The Company's Annual Report on Directors' Remuneration, once the suspension arising from the SEPI Financial Support ends, will provide details of the implementation of the specific objectives for each fiscal year and the corresponding degree of compliance.

The perception of the variable remuneration shall require the reimbursement by the Company of 75% of the SEPI Financial Support. Once the aforementioned reimbursement has been made, Executive Chairperson may receive the variable remuneration under the Executive Chairperson's LTIP 2023-2025 subject to the verification of the relevant requirements.

Senior Management LTIP 2020-2022

A long-term variable remuneration plan for fiscal years 2020-2022 was approved in January 2020 to incentivize 7 members of the Senior Management ("**Senior Management LTIP 2020-2022**"). The Executive Chairperson is not a beneficiary of the Senior Management LTIP 2020-2022. The Senior Management LTIP 2020-2022 had a timeframe of three years, applicable to fiscal years 2020, 2021 and 2022, and was paid out, as appropriate, in February 2023, after the approval of the annual financial statements and once ascertained the degree of compliance with the objectives. The amount paid to all beneficiaries of Senior Management LTIP 2020-2022 considered as a whole was c. €2,810 thousand. The settlement was in cash.

The Senior Management LTIP 2020-2022's sole parameter was linked to the achievement of the initiative Transforma (for further information on this initiative, see "*Business—The Group's Strategy*"). The target was linked to an achievement scale and a minimum EBITDA target, which varied from each beneficiary.

The Senior Management LTIP 2020-2022 was compliant with the SEPI Financial Support and was therefore paid to all its beneficiaries, subject to the achievement of the established targets and the terms and conditions of the Senior Management LTIP 2020-2022.

Senior Management LTIP 2023-2025

A long-term variable remuneration plan for fiscal years 2023-2025 was approved in January 2023 to incentivize 7 members of the Senior Management ("**Senior Management LTIP 2023-2025**"). The Executive Chairperson is not a beneficiary of the Senior Management LTIP 2023-2025. The Senior Management LTIP 2023-2025 has a timeframe of three years, applicable to fiscal years 2023, 2024 and 2025, and will be paid out, as appropriate, in February 2027, after the approval of the annual financial statements and once ascertained the degree of compliance with the objectives.

If the requirements envisaged in the Senior Management LTIP 2023-2025 below are met, the maximum amount to be paid to all beneficiaries of Senior Management LTIP 2023-2025 considered as a whole will be c. €4,748 thousand. The settlement will be in cash.

The Senior Management LTIP 2023-2025's fundamental parameters will include at least the following objectives and weighting will be taken into account: (a) annual management objectives (such as, EBIT, cash, projects awards) (50%); (b) debt repayment (30%); and (c) strategic objective linked to energy transition projects (20%). The targets are also linked to an achievement scale and a minimum EBITDA target, which varies from each beneficiary.

The Senior Management LTIP 2023-2025 is compliant with the SEPI Financial Support and will be therefore payable to all its beneficiaries, subject to the achievement of the established targets and the terms and conditions of the Senior Management LTIP 2023-2025.

Loyalty Plan 2023-2025

On January 2023, the Board of Directors of the Company approved a loyalty plan (the "**Loyalty Plan 2023-2025**") to incentivize 7 members of the Senior Management. The Executive Chairperson is not a beneficiary of the Loyalty Plan 2023-2025.

The Company is currently implementing the Loyalty Plan 2023-2025 and, consequently, the beneficiaries have not yet received any options to acquire Shares. Once implemented, the beneficiaries will be entitled to receive free of cost an incentive consisting of the delivery of options to acquire Shares in an amount equal to 50% of their variable remuneration (the "**Remuneration Shares**"). In order to being entitled to receive the Shares, the share price of the Company shall reach the quotations mentioned below. The maximum aggregated number of Shares to be delivered to the beneficiaries of the Loyalty Plan 2023-2025 is 143,193 Shares, which represent 0.26% of the Company's share capital (prior to the Offering).

The main purpose of the Loyalty Plan 2023-2025 is to increase the loyalty and retain and effectively encourage the beneficiaries. To that end, in the event the share price of the Company reaches the quotations mentioned below, the beneficiary will be entitled to exercise the option to acquire the Shares, at a price of €7.31 per Share, (reference price for the Loyalty Plan 2023-2025 set out by the Appointments and Remuneration Commission) by notifying the Company, and the Company shall pay to each beneficiary the full amount of the price to be satisfied to acquire the Remuneration Shares.

The Loyalty Plan 2023-2025 will have a timeframe of three years, applicable to fiscal years 2023, 2024 and 2025, although it is expected that it may be extended if deemed appropriate. The Loyalty Plan 2023-2025 will be subject to exercise at any time within its three-year duration, when one of the following quoted prices is reached, and subject to the following terms and conditions:

- (i) possible acquisition of a third of the 50% of the variable remuneration of the beneficiaries if a €14 quoted price per Share is reached before the end of the Loyalty Plan 2023-2025;
- (ii) possible acquisition of another third of the 50% of the variable remuneration of the beneficiaries if a €18 quoted price per Share is reached before the end of the Loyalty Plan 2023-2025; and
- (iii) possible acquisition of the last third of the 50% of the variable remuneration of the beneficiaries if a €22 quoted price per Share is reached before the end of the Loyalty Plan 2023-2025.

The beneficiaries must maintain ownership of the Remuneration Shares for a period of not less than 1 year. If after the three-year period agreed in the Loyalty Plan 2023-2025 established targets are not achieved, the beneficiaries will lose any type of right over this remuneration plan.

The Remuneration Shares to be delivered under the Loyalty Plan 2023-2025 may be either treasury and/or Shares acquired in accordance with the applicable regulations, in particular in MAR (as defined herein) and its implementing regulations.

The Loyalty Plan 2023-2025 is compliant with the SEPI Financial Support and is therefore payable to all its beneficiaries, subject to the achievement of the established targets and the terms and conditions of the Loyalty Plan 2023-2025.

Family relationships

There are no family relationships and no "close relatives" (as this term is defined in applicable regulations for related party transactions and, in particular, in Order EHA/3050/2004, of September 15, 2004, on information to be disclosed by listed

companies regarding related party transactions) among the Directors, the Directors and other members of the Company's Senior Management or the members of the Company's Senior Management other than the family relation between Mr. Juan Lladó Arburúa, Executive Chairperson, and his brother, Mr. José Manuel Lladó Arburúa, Vice-Chairperson.

No convictions and other negative statements

None of the Directors or members of the Senior Management have, in the five years preceding the date of this Prospectus: (i) been convicted in relation to fraudulent offenses; (ii) acted as directors of entities affected by bankruptcy, receivership or liquidation; (iii) been publicly incriminated and/or sanctioned by statutory or regulatory authorities (including designated professional bodies); or (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer of securities or from acting in the management or conduct of the affairs of any issuer.

PRINCIPAL SHAREHOLDERS

As of the date of this Prospectus, the Company's share capital is €5,589,600, consisting of 55,896,000 Shares of €0.10 par value each.

The following table sets forth publicly available information with respect to the beneficial ownership of voting rights in the Company as of the date of this Prospectus.

Owner	Total voting rights (%)		Total voting rights (%)
	Direct	Indirect	
Ariel Investments, LLC	—	3.007	3.007
Franklin Templeton Investment Management Limited	—	3.000	3.000
Francisco Garcia Paramés ⁽¹⁾	—	5.146	5.146
Álvaro Guzmán De Lázaro Mateos ⁽²⁾	—	5.045	5.045
José Lladó Fernández-Urrutia ⁽³⁾	0.107	37.088	37.196
Total (direct and indirect)			53.394

(1) The shares indirectly held are through the entities CobasConcentrados,F.I.L., CobasGlobal,F.P., CobasIberia,F.I., CobasLuxSICAV:CobasConcentratedFund, CobasRenta, F.I., CobasSelección,F.I., CobasValueSicavSa, AZMultiAsset.Subfund: AZMultiAsset-Bestvalue CobasLuxSICAV:Cobas IberianFund, CobasLuxSICAV:CobasSelectionFund, CobasMixtoGlobal,F.P. and Cobasmixtoglobal,F.P. The table sets forth publicly available information. However, the Company has been informed that Mr. Francisco Garcia Paramés indirectly holds Shares representing approximately 5.874% of the Company's share capital (prior to the Offering).

(2) The shares indirectly held are through the entities AZvalor Internacional FI; AZvalor Iberia FI; AZvalor LUX SICAV-AZvalor Internacional; AZvalor Value Selection SICAV; Mimosa Capital SIF SICAV SA- AZvalor Ultra SUB FUND; Azvalor LUX SICAV - ALTUM FAITH. The table sets forth publicly available information. However, the Company has been informed that Mr. Álvaro Guzmán De Lázaro Mateos indirectly holds Shares representing approximately 6.078% of the Company's share capital (prior to the Offering).

(3) Indirectly held through Araltec, S.L. and Aragonesas Promoción de Obras y Construcciones, S.L. Mr. José Lladó Fernández-Urrutia owns 93.18% of the share capital of Araltec, SL, which in turn owns 100% of the share capital of Araltec Corporación, S.L.U, which directly holds 31.993% of the voting rights of Técnicas Reunidas, SA. He also holds 75.75% of the share capital of Aragonesas Promoción de Obras y Construcciones, S.L., which directly holds 5.096% of the voting rights of Técnicas Reunidas, S.A.

The amounts and percentages of Shares beneficially owned by each shareholder are reported on the basis of CNMV rules governing the determination of beneficial ownership, and the information is not necessarily indicative of beneficial ownership for other purposes (see "*Description of Share Capital-Reporting requirements-Transactions Affecting Voting Rights*"). The Company's share capital is represented by a single class of Shares, with the same voting rights. Each Share gives the right to one vote. Consequently, shareholders have no different voting rights. Further details relating to the Shares are set out in "*Description of Share Capital*".

As of the date of this Prospectus none of the principal shareholders, whether individually or together, controls the Company. The Company is not aware of any agreement that may result in a change of control of the issuer in the future. Likewise, the Company does not have any internal provision aimed at delaying, deferring or preventing a change of control.

For a description of certain transactions between the Company and its principal shareholders see "*Related Party Transactions*".

Dilution as a result of the Offering

Mr. José Lladó Fernández-Urrutia, who controls 37.20% of the share capital of the Company, out of which a 0.107% is controlled directly and a 37.088% is controlled indirectly through Araltec, S.L. and Aragonesas Promoción de Obras y Construcciones, S.L. (see "*Principal Shareholders*"), has irrevocably committed to exercise the Preferential Subscription Rights corresponding to all the Shares he holds through (i) Araltec Corporación, S.L., which represent approximately 33.31% of the Offering, and (ii) Aragonesas Promoción de Obras y Construcciones, S.L., which represent approximately 5.31% of the Offering, and to subscribe and pay for the corresponding New Shares. Mr. José Lladó Fernández-Urrutia will not exercise the Preferential Subscription Rights associated to the Shares he directly holds, which represent approximately 0.112% of the Offering. The percentage that the Committed Shares

from the Main Shareholder represent over the Offering differs from the percentage of share capital held by the Main Shareholder due to the fact that the Offering excludes the Company's treasury shares. Consequently, the equity interest in the Company of Mr. José Lladó Fernández-Urrutia after the Offering, assuming all of the New Shares are subscribed for in full by other Eligible Shareholders or third parties, will amount to 37.63%, which implies a dilution of 0.03%.

Additionally, Cobas Asset Management, SGIC, S.A has irrevocably committed to exercise the Preferential Subscription Rights corresponding to 3,283,101 Shares held through the entities it manages, which represent approximately 6.11% of the Offering, and to subscribe and pay for the corresponding New Shares. Consequently, Cobas Asset Management, SGIC, S.A will not have its equity interest diluted, assuming all of the New Shares are subscribed for in full by other Eligible Shareholders or third parties.

For further information, see "*Plan of Distribution-Commitments from shareholders*".

Finally, Eligible Shareholders who do not fully exercise their Preferential Subscription Rights during the Preferential Subscription Period in the percentage to which their Preferential Subscription Rights entitle them will have their equity interest diluted by approximately 30.39% with respect to their interest in the Company's share capital on the Record Date (the date on which those persons or entities registered in Iberclear as shareholders become Eligible Shareholders), assuming all of the New Shares are subscribed for in full by other Eligible Shareholders or third parties.

Shareholders' Agreements

As of the date of this Prospectus, there are no shareholders' agreements affecting the Company.

RELATED PARTY TRANSACTIONS

General Information

The Group has not entered into any agreements or contracts that it believes would merit consideration as related party transactions, except for those arm's length agreements or contracts that are executed in the ordinary course of business. The Group carries out all related party transactions at market value and transfer prices are adequately documented.

Finally, during fiscal year 2021, the Company approved a Related-Party Transaction protocol.

Transactions with Related Parties

See Note 30 to the 2022 Audited Consolidated Financial Statements, Note 31 to the 2021 Audited Consolidated Financial Statements and to the 2020 Audited Consolidated Financial Statements for more information on related party transactions for the financial periods covered. Transactions that are significant due to their amount, or relevant due to their subject matter, carried out between the Company or the companies belonging to the Group and the shareholders holding a legally significant stake in the Company or its related parties (within the meaning of article 231 of the Spanish Companies Act) shall be detailed in the Annual Corporate Governance Report. For the year ended December 31, 2022, the Company has not reported any material transaction in the 2022 Annual Corporate Governance Report, which is included as an annex within the accompanying consolidated directors' report to the 2022 Audited Consolidated Financial Statements.

Related party transactions with significant shareholders

During the years ended December 31, 2020, 2021 and 2022 and up to the date of this Prospectus, the Group has not entered into any arrangements with its significant shareholders.

Transactions with associates

During the period from January 1, 2020 to December 31, 2022 the Group has not entered into any arrangements with its associates, other than the indicated in below. From December 31, 2022 and up to the date of this Prospectus, the Group has not entered into any arrangements with its associates.

According to the Financial Statements, balances and transactions with the associates were as follows:

	For the year ended December 31,		
	2022	2021	2020
	(in thousands of euros)		
	(audited)		
Loans	7,368	6,323	3,671
Payables to suppliers.....	347	347	278
Purchases	-	-	1,685
Interest.....	141	89	49

All the transactions carried out during the financial years ended December 31, 2022, 2021 and 2020 were with the company Máster, S.A. Ingeniería y Arquitectura.

Related party transactions with senior managers and directors

During the period from January 1, 2020 to December 31, 2022 and up to the date of this Prospectus, the Group has not entered into any arrangements with its senior managers and directors, except as indicated in below and other than in relation to any compensation or benefits paid to them (see "Management and Board of Directors—Compensation").

Until May 2022, Mr. José Nieto de la Cierva, independent director of the Company, also held the position of Deputy Managing Director of Banco de Sabadell, S.A. As a result, as of December 31, 2022, Banco de Sabadell, S.A. together with its group of companies, is no longer considered a related party to the Group. According to the Financial Statements, the transactions carried out by the Group with Banco de Sabadell, S.A. and its subsidiaries during the years ended December 31, 2022, December 31, 2021 and December 31, 2020, are detailed below:

	For the year ended December 31,		
	2022	2021	2020
	(in thousands of euros)		
	(audited)		
Finance costs	388	453	493
Finance Income	-	-	3
Credit facilities	9,222	9,950	10,000
Drawn balances	6,640	4,950	5,000
Guarantee lines	15,124	47,000	77,000
Used guarantees	14,124	21,329	51,756
Cash and cash equivalents	72	8,087	5,401

In February 2023, Ms. Petra Mateos Aparicio, independent director of the Company, resigned from her position as Proprietary Director of Unicaja Banco, S.A., which will be made effective with effects as of June 2023. As a result, as of June, 2023, Unicaja Banco, S.A., together with its group of companies, will no longer be considered a related party to the Group. According to the Financial Statements, the transactions carried out by the Group with Unicaja Banco, S.A. and its subsidiaries during the years ended December 31, 2022, December 31, 2021 and December 31, 2020, are detailed below:

	For the year ended December 31,		
	2022	2021	2020
	(in thousands of euros)		
	(audited)		
Finance costs	-		
Finance Income	-		
Credit facilities	21,087	-	-
Drawn balances	21,087		
Guarantee facilities:	-	-	-
Used guarantees	10		
Cash and cash equivalents	38	-	-

MARKET INFORMATION

Except for the New Shares, the Shares are currently admitted to trading on the Spanish Stock Exchanges and are quoted through the AQS (*Sistema de Interconexión Bursátil Español, SIBE or Mercado Continuo*). The Company will apply to list the New Shares on the Spanish Stock Exchanges and to have the New Shares quoted through the AQS.

In 2022, the highest closing share price of the Shares was €9.925 and the lowest closing share price was €5.840. On April 6, 2023, the last trading day prior to the approval of the capital increase by the Board of Directors, the closing price of the Shares on the AQS was €10.020.

Automated quotation system

The AQS links the four Spanish Stock Exchanges, providing those securities listed on it with a uniform continuous market that eliminates certain of the differences between the local exchanges. The principal feature of the system is the computerized matching of bid and offer orders at the time of entry of the relevant order. Each order is executed as soon as a matching order is entered, but can be modified or cancelled until it is executed. The activity of the market can be continuously monitored by investors and brokers. The AQS is operated and regulated by Sociedad de Bolsas, S.A. ("**Sociedad de Bolsas**"). All trades on the AQS must be placed through a brokerage firm, a dealer firm or a credit entity that is a member of a Spanish Stock Exchange.

In a pre-opening session held from 8:30 a.m. to 9:00 a.m. (CET) each trading day, an opening price is established for each security traded on the AQS based on a real time auction in which orders can be entered, modified or cancelled but not executed. During this pre-opening session, the system continuously displays the price at which orders would be executed if trading were to begin at that moment. Market participants only receive information relating to the auction price (if applicable) and trading volume permitted at the current bid and offer price. If an auction price does not exist, the best bid and offer price and associated volumes are shown. The auction terminates with a random period of 30 seconds in which share allocation takes place. Until the allocation process has finished, orders cannot be entered, modified or cancelled. In exceptional circumstances (including the inclusion of new securities on the AQS) and after giving notice to the CNMV, Sociedad de Bolsas may establish an opening price without regard to the reference price (the previous trading day's closing price), alter the price range for permitted orders with respect to the reference price or modify the reference price.

The computerized trading hours are from 9:00 a.m. to 5:30 p.m. (CET). During the trading session, the trading price of a security is permitted to vary up to a maximum so called "static" range of the reference price, provided that the trading price for each trade of such security is not permitted to vary in excess of a maximum so called "dynamic" range with respect to the trading price of the immediately preceding trade of the same security. If, during the trading session, there are matching bid and offer orders for a security within the computerized system which exceed any of the above "static" and/or "dynamic" ranges, trading on the security is automatically suspended and a new auction is held where a new reference price is set, and the "static" and "dynamic" ranges will apply over such new reference price. The "static" and "dynamic" ranges applicable to each particular security are set up and reviewed periodically by Sociedad de Bolsas. From 5:30 p.m. to 5:35 p.m. (CET), known as the closing auction, orders can be entered, modified and cancelled, but no trades can be made.

Information with respect to the computerized trades which take place between 9:00 a.m. CET and 5:30 p.m. CET is made public immediately, and information with respect to trades which occur outside the computerized matching system is reported to the Sociedad de Bolsas by the end of the trading day and is also published in the Stock Exchange Official Gazette (*Boletín de Cotización*) and on the computer system by the beginning of the next trading day.

Clearance and settlement system

The Spanish clearing, settlement and recording system was adapted by Act 11/2015, of June 18, 2015, on the recovery and resolution of credit institutions and investment firms (*Ley 11/2015, de 18 de junio, sobre recuperación y resolución de entidades de crédito y empresas de servicios de inversión*) and Royal Decree 878/2015, of October 2, 2015 (*Real Decreto 878/2015, de 2 de octubre, sobre compensación, liquidación y registro de valores negociables representados mediante anotaciones en cuenta, sobre el régimen jurídico de los depositarios centrales de valores y de las entidades de contrapartida central y sobre requisitos de transparencia de los emisores de valores admitidos a negociación en un mercado secundario oficial*) to the provisions set forth in Regulation (EU) No 909/2014 of the European Parliament and of the Council of July 23, 2014, on improving securities settlement in the EU and on central securities depositories, amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No

236/2012. Following the implementation of this reform, in the Spanish clearing, settlement and registry procedures of securities transactions allows the connection of the post-trading Spanish systems to the European system Target 2 Securities.

Additionally, as of April 27, 2016, transactions carried out for equity securities on the AQS are cleared through BME Clearing, S.A., as central clearing counterparty (CCP), and settled and recorded through Iberclear, as central securities depository. Shares of listed Spanish companies are represented in book-entry form. Iberclear and its participant entities are responsible for keeping records in book-entry form (*anotaciones en cuenta*). The recording system is a 2-tier level registry: the keeping of the central record corresponds to Iberclear and the keeping of the detail records corresponds to the participant entities in Iberclear.

Only participant entities of Iberclear are entitled to use it, and access to become a participant entity is restricted to authorized members of the Spanish Stock Exchanges, the Bank of Spain (when an agreement, approved by the Ministry of Economic Affairs and Digital Transformation, is reached with Iberclear) and, with the approval of the CNMV, other brokers not members of the Spanish Stock Exchanges, banks, savings banks and foreign settlement and clearing systems. Iberclear is owned by *Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A.* (Spanish Exchanges and Markets, Holding Company of Markets and Financial Systems), a holding company which holds a 100% interest in each of the Spanish official secondary markets and settlement systems.

Iberclear manages the central registry, which reflects (i) one or several proprietary accounts which shows the balances of the participant entities' proprietary accounts; (ii) one or several general third-party accounts that shows the overall balances that the participant entities hold for third parties; (iii) individual accounts opened in the name of the owner, either individual or legal person; and (iv) individual special accounts of financial intermediaries which use the optional procedure of settlement of orders. Each participant entity maintains the detail records of the owners of such shares.

As a result of the above, Spanish law shall consider the owner of the shares to be:

- the participant entity appearing in the records of Iberclear as holding the relevant shares in its own name;
- the investor appearing in the records of the participant entity as holding the shares; or
- the investor appearing in the records of Iberclear as holding shares in a segregated individual account.

Obtaining legal title to shares of a company listed on a Spanish Stock Exchange requires the participation of a Spanish official stockbroker, broker-dealer or other entity authorized under Spanish law to record the transfer of shares. To evidence title to shares, at the owner's request the relevant participant entity must issue a certificate of ownership. If the owner is a participant entity, Iberclear is in charge of the issuance of the certificate with respect to the shares held in the participant entity's name.

BME Clearing is the CCP in charge of the clearing of transactions closed on the Spanish Stock Exchanges. BME Clearing interposes itself on its own account as seller in every stock purchase and as buyer in every stock sale. It calculates buy and sell positions vis-à-vis the participants designated in such buy or sell instructions. The CCP then generates and sends to Iberclear the relevant settlement instructions. The settlement and registration platform managed by Iberclear (operating under the trade name of ARCO), receives the settlement instructions from BME Clearing and forward them to the relevant Iberclear participant entities involved in each transaction. ARCO operates under a "T+2 Settlement Standard", by which any transactions must be settled within two AQS trading days following the date on which the relevant transaction was completed.

Euroclear and Clearstream

Shares deposited with depositories for Euroclear Bank, SA/NV, as operator of the Euroclear System ("**Euroclear**"), and Clearstream Banking, société anonyme ("**Clearstream**") and credited to the respective securities clearance account of purchasers in Euroclear or Clearstream against payment to Euroclear or Clearstream will be held in accordance with the Terms and Conditions Governing Use of Euroclear and Clearstream, the operating procedures of the Euroclear System, as amended from time to time, the Management Regulations of Clearstream and the Instructions to Participants of Clearstream as amended from time to time, as applicable. Persons on whose behalf accounts at Euroclear or Clearstream are maintained and to which shares have been credited ("investors") shall have the right to receive the number of shares equal to the number of shares so credited, upon compliance with the foregoing regulations and procedures of Euroclear or Clearstream.

With respect to the shares that are deposited with depositories for Euroclear or Clearstream, such shares will be initially recorded in the name of Euroclear or one of its nominees or in the name of Clearstream or one of its nominees, as the case may be. Thereafter, investors may withdraw shares credited to their respective accounts if they wish to do so, upon payment of the applicable fees described below, if any, and upon obtaining the relevant recording in the book-entry registries kept by the members of Iberclear.

Under Spanish law, only the record holder of the shares according to the registry kept by Iberclear is entitled to receive dividends and other distributions and to exercise voting, pre-emptive and other rights in respect of such shares. Euroclear or its nominee or Clearstream or its nominee will be the sole record holder of the shares that are deposited with the depositories for Euroclear and Clearstream, respectively, until such time as investors exercise their rights to withdraw such shares and cause them to obtain the recording of the investor's ownership of the shares in the book-entry registries kept by the members of Iberclear.

Cash dividends or cash distributions, as well as stock dividends or other distributions of securities, received in respect of the shares that are deposited with the depositories for Euroclear and Clearstream will be credited to the cash accounts maintained on behalf of the investors at Euroclear and Clearstream, as the case may be, after deduction for applicable withholding taxes, in accordance with the applicable regulations and procedures of Euroclear and Clearstream. See "*Taxation*".

Each of Euroclear and Clearstream will endeavour to inform investors of any significant events of which they have notice affecting the shares recorded in the name of Euroclear or its nominees and Clearstream or its nominees and requiring action to be taken by investors. Each of Euroclear and Clearstream may, at its discretion, take such action as it shall deem appropriate in order to assist investors to direct the exercise of voting rights in respect of the shares. Such actions may include (i) acceptance of instructions from investors to execute or to arrange for the execution of, proxies, powers of attorney or other similar certificates for delivery to the Company, or the Company's agent or (ii) voting of such shares by Euroclear or its nominees and Clearstream or its nominees in accordance with the instructions of investors.

If the Company offer or cause to be offered to Euroclear or its nominees and Clearstream or its nominees, as the record holders of the shares that are deposited with the depositories for Euroclear and Clearstream, respectively, any rights to subscribe for additional shares or rights of any other nature, each of Euroclear and Clearstream will endeavour to inform investors of the terms of any such rights issue of which it has notice in accordance with the provisions of its regulations and procedures referred to above. Such rights will be exercised, insofar as practicable and permitted by applicable law, according to written instructions received from investors, or such rights may be sold and, in such event, the net proceeds will be credited to the cash account maintained on behalf of the investor with Euroclear or Clearstream.

Tender offers

Tender offers are governed in Spain by articles 108 *et seq.* of the Securities Market Act and Royal Decree 1066/2007 which implement Directive 2004/25/EC of the European Parliament and of the Council of April 21, 2004. Other than the referred tender offer regulation, there is no other special regulation in Spain that may govern mandatory tender offers over the ordinary shares of the Company.

The Spanish regulation on tender offers regulates, among others, the target company's shareholders rights as well as squeeze-out and sell-out rules in relation to the targeted securities. These consist of, *inter alia*:

- Defensive measures included in a listed company's bylaws and transfer and voting restrictions included in agreements among a listed company's shareholders will remain in place whenever the company is the target of a tender offer, unless the shareholders decide otherwise (in which case any shareholders whose rights are diluted or otherwise adversely affected shall be entitled to compensation at the target company's expense).
- As per shareholders' rights and obligations in the context of a mandatory tender offer or as a result of a voluntary offer for all of the target's share capital, squeeze-out and sell-out rights will apply provided that following such tender offers the bidder holds shares representing at least 90% of the target company's voting share capital and the tender offer has been accepted by the holders of securities representing at least 90% of the voting rights over which the offer was launched.

In addition, it should be noted that in Spain tender offers may qualify as either mandatory or voluntary.

Mandatory tender offers must be launched for all the shares of the target company (and all other securities that might directly or

indirectly entitle their holders to acquire or subscribe such shares) at an equitable price and not subject to any conditions, when any person or entity acquires control of a Spanish listed company, whether such control is obtained (i) by acquiring shares or other securities entitling a holder thereof to subscribe or acquire voting shares in such company, (ii) through shareholder agreements with shareholders or other holders of such securities, or (iii) as a result of other situations constituting indirect control as provided in the applicable Spanish regulation on tender offers.

In addition, if, exclusively as a consequence of the variation in the total number of voting rights of a company resulting from the existence of Loyalty Shares with double voting rights, any shareholder should reach, directly or indirectly, a number of voting rights equal to or greater than 30%, such shareholder may not exercise the voting rights exceeding such percentage without launching a mandatory public tender offer aimed at the entire share capital. In this case, the tender offer shall be made within three months from the date on which the 30% threshold was exceeded and the rules relating to the determination of the equitable price shall apply to it. However, the launch of a tender offer shall not apply if, within three months from the date on which the threshold of 30% of the voting rights was exceeded, such shareholder disposes of the number of shares necessary to reduce the voting rights in excess of 30% or waives the voting rights attached to its Loyalty Shares in excess of 30% of the voting rights.

A person or entity is deemed to have control over a target company, either individually or jointly with other parties acting in concert, whenever:

- It acquires, directly or indirectly, a percentage of the company's voting rights equal to or greater than 30%.
- It has acquired a percentage that is less than 30% of the voting rights and appoints, during the 24-month period following the date of acquisition of such percentage, a number of directors that, together with those already appointed by it (if any), represents more than half of the members of the target company's board of directors. The Spanish regulation on tender offers also sets forth certain situations where directors are deemed to have been appointed by the bidder or persons acting in concert therewith unless evidence to the contrary is provided.

For the purposes of calculating the percentages of voting rights acquired, the Spanish regulation establishes a number of rules, which are summarized as follows:

- Some percentages of voting rights are deemed to be held by the bidder, mainly corresponding to: (i) companies belonging to its group; (ii) members of its board of directors or of companies of its group (unless evidence to the contrary is provided); (iii) persons acting in concert with or on behalf of the bidder; (iv) voting rights which may be exercised freely and over an extended period by the bidder under proxy granted by the actual holders or owners of such rights, in the absence of their relevant instructions; and (v) shares held by a third party whom the bidder covers against risks related to acquiring, transferring or possessing such shares.
- Voting rights arising from the ownership of shares and those enjoyed under a usufruct or pledge or under any other contractual title, will also be deemed to be held by the bidder.
- The percentage of voting rights shall be calculated based on the entire number of the company's shares with voting rights, even if the exercise of such rights has been suspended. These excludes treasury stock held directly or indirectly by the target company. Non-voting shares must only be included when they carry voting rights pursuant to applicable law.
- Acquisitions of securities or other financial instruments which entitle the holder to subscribe, convert, exchange or acquire shares carrying voting rights will not result in the obligation to launch a tender offer until the relevant transaction occurs.

Notwithstanding, under the applicable Spanish regulation on tender offers, the CNMV will conditionally exempt a person or entity from the obligation to launch a mandatory tender offer when another person or entity not acting in concert with the potential bidder, directly or indirectly, holds an equal or greater voting percentage in the target company.

Spanish regulations establish certain exceptions where control is obtained but no mandatory tender offer is required, including situations where control has been obtained following a voluntary tender offer for all of the securities, if either the bid has been launched at an equitable price or has been accepted by holders of securities representing at least 50% of the voting rights to which the bid was directed (excluding voting rights already held by the bidder and those belonging to shareholders who entered into an agreement with the bidder regarding the tender offer).

The price of the mandatory tender offer is deemed to be “equitable” when it is at least equal to the highest price paid by the bidder or any person acting in concert therewith for the same securities during the twelve months preceding the announcement of the tender offer. Other rules used to calculate the equitable price are set forth in the applicable Spanish regulation, and the CNMV may change such price in certain circumstances (such as extraordinary events or evidenced market manipulation).

Mandatory offers must be launched as soon as possible and at any event within one month from the acquisition of the control of the target company.

Voluntary tender offers may be launched in those cases in which a mandatory offer is not legally required. Voluntary offers are subject to the same rules established for mandatory offers except for the following:

- They might be subject to certain conditions provided that their fulfilment may be verified by the end of the offer acceptance period, which are regulated in the Spanish tender offer regulations but include any other condition approved by the CNMV.
- They may be launched at a price other than an equitable price.
- By way of exception, if certain circumstances have occurred during the two years prior to the announcement of the offer –namely, (i) the shares’ trading price being affected by rational indications for price manipulations or natural disasters, war, calamities, force majeure or other exceptional events, or (ii) the target company being subject to expropriation or confiscation resulting in significant impair of its real value)– the price in a voluntary tender offer must be the higher of both the equitable price and the price resulting from an independent valuation report, and must include cash as consideration.

The Company has never been the target of a tender offer by a third-party bidder over the ordinary shares of the Company.

DESCRIPTION OF SHARE CAPITAL

The following summary provides information concerning the Company's share capital and briefly describes certain significant provisions of the Company's bylaws (*estatutos sociales*) and Spanish corporate law, including the restated text of the Spanish Companies Act, Spanish Act 3/2009 on Structural Amendments of Private Companies (*Ley 3/2009, de 3 de abril, sobre modificaciones estructurales de las sociedades mercantiles*), the Securities Market Act and Royal Decree 878/2015, dated October 2, 2015, on clearing, settlement and registry of negotiable securities in book-entry form, and transparency requirements for issuers of securities admitted to trading on an official secondary market.

This summary does not purport to be complete and is qualified in its entirety by reference to the Company's bylaws, the Spanish Companies Act and other applicable laws and regulations. Copies of the Company's bylaws are available (in Spanish with an English translation for information purposes) at the Company's principal headquarters and on the Company's website (https://www.tecnicasreunidas.es/wp-content/uploads/2021/07/14_TR_JG21_Estatutos_2021_EN.pdf). Neither the Company's website nor any of its contents forms part of or is incorporated into this Prospectus, whether by reference or otherwise, except as otherwise provided herein. The CNMV has not examined nor approved the Company's website nor any of its contents.

General

Pursuant to the Company's bylaws, the corporate purpose of the Company is: "a) To design and prepare all kinds of engineering projects and reports for assembling all kinds of factories, plants or industrial or civil installations and to build, supervise and start them up on a "turnkey" basis, including all the necessary services until delivery is made to the customer, all at a lump sum price or by other means of payment or financing. b) To plan and prepare technical and economic reports concerning the utilities and costs of any industrial installation. c) Technical assistance and management for assembling any factory or industry and to build, perform civil work and structures, prefabricate installations, assemble equipment, electrical installations and instrumentation, including but not limited to all activities of construction supervision, construction management, permanent management, site management, signature of basic and execution projects and safety co-ordination. d) Technical assistance for starting up and operating any installation in the initial stages, developing its own processes or granting patents, procedures or techniques of manufacture, if required, and obtaining, as the case may be, all necessary technologies from others necessary for carrying out said services, either under license or through any other collaboration agreement with technologists and instructed personnel for the respective works that they must develop in the new industry for them to achieve complete work output, even intervening directly in assembling said factories as a contractor or all or part of the work. e) To technically assist in the acquisition of all kinds of equipment, materials or tools needed to build these plants, factories or industrial installations and, by way of information only, to deal with the management of the purchase of equipment, materials and the activation of supplies, inspection, transport and delivery of said equipment and material at the plants, either on their own account or for others. To provide suppliers with all the technical information they might need so that the equipment, materials and tools may be done according to specifications. To perform all necessary inspections so that the equipment, materials and tools to be used at the plants may meet the applicable specifications. To attend the dispatch and delivery of equipment, materials and tools to meet all deadlines and conditions of delivery. f) The acquisition, disposal, encumbrance and exploitation of all kinds of capital goods, including industrial installations as well as fixed property. g) The holding of urban and rural fixed property, mines, quarries and industrial premises for their exploitation, use, administration, management, enjoyment or lease. The listed activities may be also carried out totally or partially by the Company, in Spain or abroad, directly or indirectly by participating in other companies with a similar purpose. All activities are excluded for which the Law has special requirements that are not met by this Company".

As of the date of this Prospectus, the Company's issued share capital amounts to €5,589,600, divided into a single series of 55,896,000 Shares, with a par value of €0.10 each. As of December 31, 2022 the net asset value per Share, calculated as the consolidated equity attributable to shareholders divided by the total number of Shares, amounted to approximately €1.266 per Share. See Note 15 of the 2022 Audited Consolidated Financial Statements for a description of the history of the share capital of the Company and reconciliation of the number of shares outstanding at the beginning and at the end of the financial year 2022.

As of April 10, 2023, date of the resolution of the Company's Board of Directors approving to increase the share capital of Técnicas Reunidas through the issue and placement into circulation of the New Shares, the Company held 2,204,416 treasury Shares, which represent 3.94% of the Company's share capital. So as not to alter the calculation of the Preferential Subscription Rights needed for the subscription of the New Shares, Técnicas Reunidas shall not operate with treasury Shares from April 10, 2023,

(date of the resolution of the Company's Board of Directors approving to increase the share capital) until the first trading date of the Shares without rights (ex-date) and first date of trading of the Preferential Subscription Rights, which, according to the envisaged timetable, is expected to be April 13, 2023.

On July 11, 2017, the Company announced that it had signed a liquidity contract with Banco Santander, S.A. with the aim of improving liquidity in transactions and regulating the trading of its shares. This agreement was temporary suspended with effects from April 11, 2023 (included), since April 10, 2023 was not a trading day in the Spanish Stock Exchanges, until April 13, 2023 in order not to alter the exchange ratio agreed for the Offering (see "*The Offering-Preferential Subscription Rights*").

The Shares have been allocated by the Spanish National Agency for the Codification of Securities (*Agencia Nacional de Codificación de Valores Mobiliarios*), an entity dependent upon the CNMV, the ISIN code ES0178165017. All of the Shares are fully subscribed and paid-up. Non-residents of Spain may hold Shares and vote, subject to the restrictions described under "*Restrictions on Foreign Investment*".

The Shares are represented by book-entries, the entity responsible for maintaining the corresponding accounting records being Iberclear, with registered office at Plaza de la Lealtad, 1, 28014 Madrid, Spain.

Pre-emptive rights and increases of share capital

Pursuant to the Spanish Companies Act and the Company's bylaws, shareholders have pre-emptive rights to subscribe for any new Shares issued against monetary contributions and for any new bonds convertible into shares. Such pre-emptive rights may be excluded when so required by the corporate interest under special circumstances by a resolution passed at a general shareholders' meeting or by the board of directors (when the company is listed and the general shareholders' meeting delegates to the board of directors the right to increase the capital stock or issue convertible bonds and exclude pre-emptive rights), in accordance with Articles 308, 417, 504, 505, 506 and 511 of the Spanish Companies Act.

The General Shareholders' Meeting, on June 25, 2020, passed a resolution authorizing the Board of Directors, in accordance with Articles 286, 297, 417 and 511 of the Spanish Companies Act, and Article 319 of the Regulations of the Commercial Registry (*Real Decreto 1784/1996, de 19 de julio, por el que se aprueba el Reglamento del Registro Mercantil*) to resolve on the issue of convertible bonds or any other security which could entitle holders thereof either directly or indirectly to subscribe for Shares of the Company without previously convening the General Shareholders' Meeting. This authorization included the power to exclude the preferential subscription rights of the shareholders. The Company has not issued securities convertible or exchangeable into Shares, nor securities with warrants, pursuant this authorization.

In addition, the General Shareholders' Meeting passed a resolution on June 29, 2021 authorizing the Board of Directors, in accordance with Article 297.1.b) of the Spanish Companies Act, to increase its share capital without previously convening the General Shareholders' Meeting by up to half of the Company's share capital as of the date of the resolution (i.e. €2,794,800 nominal value). This authorization included the power to exclude the preferential subscription rights of the shareholders, with respect to a share capital increase of up to 20% of the Company's share capital at the time of the resolution. The Board of Directors may exercise this authorization within five years, on one or more occasions and at any time, and subject to any conditions that it may deem appropriate. The New Shares will be issued pursuant to a share capital increase in exercise of the above authorization, for an amount of €2,440,526.5 in nominal value. Therefore, €354,273.5 of the above authorization will be outstanding, assuming the complete subscription of the New Shares. Also, holders of Shares have the right of free allotment recognized in the Spanish Companies Act in the event of capital increase against reserves.

Furthermore, the pre-emptive rights, in any event, will not be available in an increase in share capital against non-cash contribution, by means of capitalization of credit rights, or to honour the conversion into Shares of convertible bonds or in a merger in which Shares are issued as consideration. Pre-emptive rights are transferable, may be traded on the AQS and may be of value to existing shareholders because new Shares may be offered for subscription at prices lower than prevailing market prices.

Shareholders' Meetings and voting rights

Shareholders' Meetings

Pursuant to the Company's Bylaws, rules of the General Shareholders' Meeting (the "**General Shareholders Meeting Regulations**") and Spanish corporate law, the annual ordinary General Shareholders' Meeting shall be held during the first six

months of each financial year on a date fixed by the Board of Directors. The General Shareholders Meeting Regulations currently in force were registered with the Commercial Registry of Madrid on September 13, 2021.

Extraordinary general meetings of shareholders may be called by the Board of Directors at any time. The Board of Directors shall call an extraordinary general meeting of shareholders at the request of shareholders representing at least 3% of the issued share capital. In such case, the extraordinary General Shareholders' Meeting must be called to be held within 2 months from the date on which the Board of Directors was notarially requested to call such extraordinary General Shareholders' Meeting. Following the Admission, notices of all General Shareholders' Meetings will be published in the Official Gazette of the Commercial Registry or in one of the more widely circulated newspapers in Spain, on the Company's corporate website and on the CNMV's website, at least one month prior to the date when the meeting is to be held, except as discussed in the following paragraph. Neither the Company's website nor any of its contents forms part of or is incorporated into this Prospectus, whether by reference or otherwise, except as otherwise provided herein. The CNMV has not examined nor approved the Company's website nor any of its contents.

Exceptionally, under the Spanish Companies Act, when the Company provides all shareholders with electronic vote, an extraordinary General Shareholders' Meeting may be called 15 days before the date on which the meeting is to be held. The decision to permit such reduction of the call period should be taken by a majority of not less than two thirds of the voting capital represented in an ordinary annual General Shareholders' Meeting, and the authorization shall be granted for a term which shall not exceed the date of the subsequent annual ordinary General Shareholders' Meeting.

Provided that the state of the art allows it and the Board of Directors so resolves at the time of the notice, shareholders eligible to attend the General Shareholders' Meeting, or their designated proxy holder (as explained hereafter), may do so via any electronic means that allow them to be connected in real time with the site or sites where the meeting is being held. Remote attendance by shareholders or their proxy holders will be considered for all purposes to be the same as attending the General Shareholders' Meeting in person, and meetings will be deemed to have been held in the Company's registered office.

In addition, the Board of Directors may convene a General Shareholders' Meeting enabling shareholders to attend exclusively by electronic means, as provided for in Company's Bylaws. The holding of the meeting exclusively by telematic means shall in all cases be subject to the identity and authority of shareholders and proxies being duly guaranteed and to all attendees being able to exercise in real time the rights to speak, be informed, propose and vote, while also being able to follow interventions by the rest of attendees to the meeting. Such General Shareholders' Meetings shall be deemed to have taken place at the Company's registered office.

Also, in the case of electronic voting, the issuer must send confirmation to the shareholder, and both the shareholder and the ultimate beneficial owner may request confirmation that their votes have been correctly accounted within one month of the meeting (unless they already have this information).

Ordinary General Shareholders' Meetings shall resolve on the following matters: (i) the approval of the management of the Company carried out by the Board of Directors during the previous financial year, (ii) the approval of the annual accounts for the previous financial year, (iii) the allocation of the previous financial year's income or loss, and (iv) the approval of the statement on non-financial information. All other matters can be considered at either an ordinary or extraordinary General Shareholders' Meeting if the matter is within the authority of the meeting and is included on the agenda (with certain exceptional items which do not need to be included on the agenda to be validly passed, like dismissal of directors and the decision to bring the liability action against directors of the Company).

The Company may bring liability action against directors pursuant to a General Shareholders' Meeting resolution, which may be adopted at the request of any shareholder even when not included on the agenda. The Bylaws cannot require a super majority for the adoption of such resolution. The General Shareholders' Meeting may consent or waive such action at any time, unless an objection is raised thereto by shareholders representing 5% of the Company's share capital. The decision to bring an action or reach a settlement shall entail the removal of the relevant directors. The approval of the financial statements shall not preclude action for liability nor constitute a waiver of the action agreed or brought.

Authority of the General Shareholders' Meeting

According to the Spanish Companies Act (and in addition to the matters referred to in the previous paragraphs and any other matters as provided by law, the Bylaws or the General Shareholders' Meeting Regulations) the following matters fall within the

authority of the General Shareholders' Meeting:

- Amending the Bylaws.
- Examining and, where appropriate, approving, the annual accounts, the performance of the members of the Board of Directors and resolutions on the allocation of earnings, as well as approving, if appropriate, the consolidated annual accounts and the annual non-financial information report.
- Appointing and removing members of the Board of Directors, as well as ratifying or revoking interim appointments of such directors by the Board of Directors itself.
- Approving the policy on directors' remuneration, as provided by applicable law, and deciding on the application of consistent remuneration systems for the delivery of shares or rights to them, as well as any other compensation system referencing the value of Shares regardless of who the beneficiary of the compensation systems may be.
- Voting, in a consultative vote, on the annual report on directors' remuneration.
- Appointing and removing the external auditor and liquidators.
- Adopting resolutions on the issuance of bonds or other fixed-income securities convertible into shares or which carry the right to a share in the Company's net income, any share capital increase or decrease, the re-registration, merger or spin-off, the overall assignment of assets and liabilities, the relocation of the registered office abroad and, in general, any amendment to the Bylaws, unless applicable law assigns power to the directors regarding any of these matters.
- Approving the acquisition, disposal or contribution of essential operating assets. For these purposes, an operating asset shall be presumed essential whenever the amount of the transaction exceeds 25% of the Company's assets as recorded in the previous balance sheet.
- Dissolving the Company and approving transactions that have the effect of winding up the Company, approving the final winding up balance sheet.
- Authorizing the Board of Directors to increase or reduce the share capital, pursuant to the Spanish Companies Act (or granting authority to increase the share capital to the Board of Directors).
- Authorizing the derivative acquisition of Shares.
- Approving the rules and regulations for the General Shareholders' Meeting that, subject to the applicable law and the Bylaws, shall govern the call, organization, information about, attendance at and holding of the General Shareholders' Meeting, as well as the exercise of voting rights in the context of the call and holding of the meetings.
- Exempting directors from the legal prohibitions regarding conflicts of interest when applicable law assigns such power to the General Shareholders' Meeting, and from the legal obligation not to compete with the Company.
- Approving related party transactions in accordance with the applicable legal regime, following a favorable report from the Audit and Control Commission.
- Approving transactions falling outside of the Company's corporate purpose.
- Bringing claims for liability against members of the Board of Directors, liquidators or the external auditor.
- Conferring upon the Board of Directors such powers as advisable for unforeseen events.
- Deciding on the exclusion or limitation of pre-emptive rights, without prejudice to the possibility of delegating this power to the directors as provided by applicable law.
- Deciding on matters submitted to the General Shareholders' Meeting by resolution of the Board of Directors.
- Transferring core activities previously carried out by the parent company to subsidiaries, even if the Company retains full control of the activities.

- Deciding or voting on any other matter assigned to it under applicable law, the Bylaws or the General Shareholders' Meeting Regulations, or that the Board of Directors may decide to submit to the General Shareholders' Meeting.

Attendance and voting Rights

As required by the Spanish Companies Act, the General Shareholders' Meeting shall, as a general rule, vote separately on substantially independent matters. Even if included in the same item on the agenda, the following shall be voted separately: (i) the appointment, re-election, ratification (in the case of co-optation) or removal of directors, which must be voted on individually; (ii) the advisory vote on the annual report on directors' remuneration; and (iii) the resolutions to amend the Bylaws, each substantially independent article or group of articles.

Each of the Company's ordinary shares entitles the holder to one vote and there is no limit as to the maximum number of votes that may be cast by individual shareholders or by companies of the same group.

Shareholders holding 50 or more Shares who are duly registered in the book-entry records maintained by Iberclear and its Participant Entities at least five days prior to the day on which a General Shareholders' Meeting is scheduled may, in the manner provided in the notice for such meeting, attend at such meeting.

The General Shareholders' Meeting notice shall indicate the date on which the Company's ordinary shares must be held by a shareholder in order to participate and vote in the meeting.

Any of the Company's ordinary shares may be voted by proxy. Proxies must be in writing or in electronic form acceptable under the Bylaws and are valid for a single General Shareholders' Meeting. Proxies may be given to any person, whether or not a shareholder. Proxies must specifically refer to a specific General Shareholders' Meeting. A proxy may be revoked by giving notice to the Company prior to the meeting or by the shareholder attending the meeting, whether in person or electronically.

Proxy holders will be required to disclose any conflict of interest prior to their appointment. In the event a conflict of interest arises after the appointment, it must be immediately disclosed to the relevant shareholder. In both cases, the proxy holder shall not exercise the shareholder's rights unless the latter has given specific voting instructions for each resolution in respect of which the proxy holder is to vote on behalf of the shareholder. A conflict of interest in this context may in particular arise where the proxy holder is: (i) the Company's controlling shareholder, or another entity controlled by such shareholder; (ii) a member of the Board of Directors, management or supervisory body of the Company, or of a controlling shareholder or another entity controlled by such shareholder; (iii) an employee or the auditor of the Company, or employee or auditor of a controlling shareholder or another entity controlled by such shareholder; or (iv) a natural person related to those mentioned in items (i) to (iii) above (*persona física vinculada*), as this concept is defined under the Spanish Companies Act (such as the spouse or similar, at the time or within the two preceding years, as well as ascendants, descendants, siblings, and their respective spouses) and under the former Spanish Ministry of Economy and Finance Order EHA/3050/2004 of September 15 (*Orden EHA/3050/2004 de 15 de septiembre sobre la información de las operaciones vinculadas que deben suministrar las sociedades emisoras de valores admitidos a negociación en mercados secundarios oficiales*).

A person acting as a proxy holder may hold a proxy from more than one shareholder without limitation as to the number of shareholders so represented. Where a proxy holder holds proxies from several shareholders, he or she will be able to cast votes for a shareholder differently from votes cast for another shareholder.

Pursuant to the Spanish Companies Act, entities rendering investment services, acting in their capacity as professional financial intermediaries, can also be appointed as proxy holders. Financial intermediaries shall also be entitled to cast different votes for each shareholder in observance of diverging voting instructions from their clients.

Entities appearing as holders of ordinary shares in the book-entry records but acting on behalf of different ultimate beneficial owners shall always be entitled to exercise voting rights in a divergent manner in order to comply with conflicting voting instructions received from their clients. These entities may also delegate voting rights to each of the ultimate beneficial owners or their nominees, without limits on the number of delegations.

Quorums and majorities

The Spanish Companies Act provides that where there are several intermediary entities holding the shares on behalf of the same

beneficial owner, they shall transmit to each other without delay the information or confirmation referred to above until they reach said beneficial owner or the Company, unless the information or confirmation can be transmitted directly by one of the intermediary entities to them.

Pursuant to the Spanish Companies Law, on the first call of an ordinary or extraordinary Shareholders' General Meeting, attendance in person or by proxy of shareholders representing at least 25% of the voting capital will constitute a quorum. If the meeting is not quorate on the first call, the meeting can be reconvened in second call (provided the meeting notice included both first and second call), which according to the Spanish Companies Act requires no quorum. The interval between the first and the second call for a Shareholders' General Meeting must be at least 24 hours.

Unless provided otherwise, resolutions will be passed by ordinary majority of the votes corresponding to the shares with voting rights present or represented, and will be deemed to have been adopted when more votes of the share capital present or represented, at the Shareholders' General Meeting quorate, are in favour than against.

Notwithstanding the above, the Shareholders' General Meeting requires attendance in person or by proxy of shareholders representing at least 50% of the subscribed voting capital at first call, or 25% at second call, in order to decide on any of the following matters: amendments to the Bylaws, change in registered office abroad, share capital increase or reduction, broadening of the corporate purpose, overriding or limiting the pre-emptive subscription right, issuance of debentures or bonds, of and by the Company when the Shareholders' General Meeting is empowered to do so, the issuance of warrants or options (alone or linked to debentures) and of preference shares, change of corporate form, merger, demerger, liquidation or dissolution of the Company and globally assign assets and liabilities where required by law.

The same percentages as are established in the preceding paragraphs will apply to (i) the decision by the Shareholders' General Meeting to grant authorization to, or to delegate the power to pass such resolutions, to the Board of Directors of a share capital increase or the issuance of debentures, bonds, warrants or preference shares, and (ii) pursuant to article 20 of the Bylaws, the decision by the Shareholders' General Meeting to issue instructions to the Board of Directors or submit for its authorization decisions made regarding management matters.

For the valid adoption of the motions that require the reinforced quorum requirements mentioned above, the motion must be adopted by absolute majority of the voting rights in attendance, whether present or by proxy. Notwithstanding the foregoing, the adoption of such resolutions shall require the favourable vote of two-thirds of the capital in attendance at the Shareholders' General Meeting, whether present or by proxy when, at second call, shareholders representing 25% or more of the share capital with voting rights are in attendance, whether present or by proxy, without reaching a 50%.

Shareholders may not exercise the right to vote corresponding to their shares in the case of a motion that (i) frees them from an obligation; (ii) grants them a right; (iii) provides them with any type of financial assistance, including the provision of guarantees in their favour; (iv) releases them from the obligations arising from the duty of loyalty; (v) concerns the approval of a related-party transaction of the Company with such shareholders which has been proposed by the Board of Directors to the Shareholders' General Meeting with the majority of the independent directors having voted against it; and (vi) and in other cases provided for in the law. The shares of a shareholder in any of the conflicts of interest detailed in the Bylaws will be deducted from the share capital to calculate the majority of votes required in each case.

Under the Spanish Companies Act, shareholders who voluntarily aggregate their shares so that the aggregated shareholding is equal to or greater than the result of dividing the total share capital by the number of directors have the right, provided there are vacancies on the Board of Directors, to appoint a corresponding proportion of the members of the Board of Directors (disregarding fractions). Shareholders who exercise this right may not vote on the appointment of other directors.

A resolution passed at a Shareholders' General Meeting is binding on all shareholders, although a resolution which is (i) contrary to law or the Bylaws or the internal regulations of the Company, or (ii) damaging to the corporate interest of the Company and beneficial to one or more shareholders or third parties, may be challenged. Damage to the Company's corporate interest is also caused when the resolution, without causing damage to corporate assets, is imposed in an abusive manner by the majority. An agreement is understood to have been imposed in an abusive manner when, rather than responding reasonably to a corporate need, the majority adopts the resolution in their own interests and to the unjustifiable detriment of the other shareholders.

In the case of listed companies, the required fraction of the Company's share capital needed to be able to contest is 1/1000. The right to contest would apply to those who were shareholders at the time when the resolution was passed (provided they hold at least 0.1% of the share capital), directors and interested third parties. In the event of resolutions contrary to public order, the right to contest would apply to any shareholders (even if they acquired such condition after the resolution was passed), and any director or third party.

In certain circumstances (for example, a change or significant amendment of the corporate purpose, transformation or transfer of registered address abroad), the Spanish Companies Act gives dissenting or absent shareholders (including non-voting shareholders) the right to withdraw from the Company. If this right were exercised, the Company would be obliged to purchase the relevant shares at the average market price of the shares in the last quarter in accordance with the procedures established under the Spanish Companies Act.

The Bylaws and internal regulations do not include any provision that would have the effect of delaying, deferring or preventing a change of control of the Company and do not provide for conditions to be met by changes in the share capital of the Company which are more stringent than the provisions of the Spanish Companies Act.

Dividend and liquidation rights

Holders of ordinary shares of the Company have the right to participate in distributions of profits and proceeds from liquidation, proportionally to their paid-up share capital. However, there is no right to receive a minimum dividend.

Payment of dividends is proposed by the Board of Directors and must be authorized by the Shareholders' General Meeting. Holders of shares participate in such dividends for the period agreed by the Shareholders' General Meeting, unless otherwise agreed, and in proportion to their paid-up shareholdings in the company, as provided for in the Bylaws.

Additionally, interim dividends (*dividendos a cuenta*) may also be distributed among shareholders directly upon approval by the Board of Directors or the Shareholders' General Meeting provided that: (i) there is sufficient liquidity to pay the interim dividend; and (ii) the amount distributed does not exceed the amount resulting from deducting from the earnings booked since the end of the previous year, the sum of losses corresponded to previous years, the mandatory amounts to be allocated for legal or Bylaws reserves, and the estimated tax due on the aforesaid earnings.

The Spanish Companies Act requires each company to allocate at least 10% of its net income each year to a legal reserve until the balance of such reserve is equivalent to at least 20% of such company's issued share capital. A company's legal reserve is not available for distribution to its shareholders except upon such company's liquidation. As of December 31, 2022, the Company's legal reserve amounted to €1,137 thousand which, as of the date of this Prospectus, is equivalent to approximately 20.3% of the Company's issued share capital (compliant with the minimum legal threshold). Assuming the Offering is fully subscribed, the Company's legal reserve will fall below the minimum legal threshold to an amount equivalent to approximately 14.16% of the Company's issued share capital and, therefore, the Company shall contribute at least 10% of its net income each year to the legal reserve until the balance of such reserve reaches the minimum legal threshold of 20%.

According to the Spanish Companies Act, dividends may only be paid out of profits or distributable reserves (after the compulsory allocation to reserves, including the legal reserve, and only if the value of the Company's net equity is not, and as a result of distribution would not be, less than the Company's issued share capital). In addition, no profits may be distributed unless the amount of distributable reserves is at least equal to the amount of the research and development expenses recorded as an asset on the balance sheet. However, such restriction does not apply to the Company as it has not recorded any research and development expenses as an asset on the balance sheet for the period covered by the Audited Consolidated Annual Accounts. Accordingly, the ability to make a distribution to shareholders will depend on the ability to generate net profits in future periods in order to achieve sufficient distributable reserves.

In any case, any dividend proposed by the Board of Directors will be submitted for approval by the General Shareholders' Meeting. In accordance with article 947 of the Commerce Code (*Real Decreto de 22 de agosto de 1885 por el que se publica el Código de Comercio*), the right to a dividend lapses and reverts to the Company if it is not claimed within five years after becoming payable.

The Company is not aware of any restriction on the collection of dividends by non-resident shareholders. All holders will receive dividends through Iberclear and its participating entities, without prejudice to potential withholdings on account of the Non-resident

Income Tax that may apply pursuant to the amended consolidated text of the Non-resident Income Tax Law, approved by Royal Legislative Decree 5/2004 of March 5 and its implementing regulations, as approved by Royal Decree 1776/2004 of July 30.

The Company's ability to pay dividends or repurchase its Shares will depend on the availability of distributable reserves which, in turn, will depend on the Company's results and other factors such as the Company's profitability and cash flow generation.

The Company's ability to pay dividends to its shareholders is limited by the SEPI Financial Support, as well as by the Syndicated CESCE Financing Agreement and the Syndicated ICO Loan, which as of the date of this Prospectus are the only covenants limiting the distribution of dividends in any financing agreement entered into by the Company), and consequently the Company will not pay dividends in the near future. For further details, see "*Dividend Policy*". See "*Risks related to the Offering— The Company's ability to pay dividends is limited by certain of its financial agreements and will not pay dividends in the near future. Furthermore, once there are no restrictions on the Company's ability to pay dividends, the Company cannot assure that it will be able to pay dividends and, even if able, that the Company would do so*". See "*Operating and Financial Review*"— Borrowings.

Upon liquidation of a company, shareholders are entitled to receive any remaining assets in proportion to their respective shareholdings, once the company's debts, taxes and any expenses have been paid.

Loyalty shares

The Spanish Companies Act sets the possibility of shareholders of listed companies having double voting rights for their shares ("**Loyalty Shares**"), provided that they are envisaged and regulated in the bylaws of the relevant listed company. As of the date of this Prospectus, the Bylaws do not contain such regime for Loyalty Shares.

The following conditions would need to be met to implement Loyalty Shares:

- General Shareholders' Meeting approval: a general shareholders' meeting resolution passed by a qualified majority, of at least 60% of the votes cast (if the quorum at the meeting is at or above 50%) or 75% of the votes cast (if the quorum at the meeting is more than 25% without reaching 50%) in order to include the concept of Loyalty Shares (opt-in) in its bylaws.
- Shareholder's decision: that the shareholder concerned holds the shares uninterruptedly for a minimum of two years (the bylaws may require a longer holding period).
- Shareholder's prerogative: the double vote will be limited to those shares that the shareholder expressly indicates and the minimum holding period will only start at the moment the shareholder requests their registration in the special share register for shares with double voting rights. The shareholder may waive the double voting right at any time. The aforementioned special register will be available to all shareholders.

Listed companies that adopt the Loyalty Shares regime must include updated information on their website on the number of shares with double voting rights existing from time to time, as well as those registered shares which loyalty period provided for in the bylaws is pending completion. Double voting rights will generally terminate when the Loyalty Shares are transferred, except in the case of intra-group transfers or, under certain conditions, transfers between family members or transfers through structural modifications (*modificaciones estructurales*).

Loyalty Shares must be taken into account for the purposes of, among others: (i) calculating the quorum of the general shareholders' meeting and the relevant majorities for the approval of resolutions; (ii) complying with the obligation to notify significant holdings; and (iii) determining the existence of a controlling interest that triggers the obligation to launch a takeover bid.

The provision in the bylaws regarding Loyalty Shares must be renewed after five years from the date of its original approval by the general shareholders meeting, subject to the same quorum and qualified majority requirements set out above, provided that holders of Loyalty Shares will be allowed to cast two votes per Loyalty Share held. Moreover, once ten years have elapsed since the amendment of the bylaws to provide for Loyalty Shares, the bylaws may be amended to eliminate such Loyalty Shares subject to the quorum and qualified majority requirements for any amendment of the bylaws, and holders of Loyalty Shares will only be able to cast one vote per Loyalty Share held for such purposes.

Shareholder actions

Pursuant to the Spanish Companies Act, directors are liable to the Company, shareholders and creditors for any actions or

omissions that are illegal or contravene the Bylaws and for failure to diligently perform their legal and fiduciary duties.

Subsequent ratification or approval of any such act or omission by the General Shareholders' Meeting does not forego directors' liability. Under Spanish law, directors' liability is joint and several (*solidaria*), except to the extent any director can demonstrate that he or she did not participate in the decision-making process related to the relevant act or omission, was unaware of its existence or if being aware of it, he or she used his or her best efforts to mitigate any damages to the Company or if he or she expressly disagreed with the decision-making relating to such act or omission.

Shareholders must generally bring actions against the directors as well as any other actions against the Company or challenging corporate resolutions before the courts of the judicial district of the Company's registered address (currently Madrid, Spain).

Registration and transfers

The Shares are indivisible and are registered in book-entry form. Joint holders of one share must designate a single person to exercise their rights, but they are jointly and severally (*solidariamente*) liable to the Company for all the obligations arising from their status as shareholders. Iberclear, which manages the Spanish clearance and settlement system of the Spanish Stock Exchanges, maintains the central registry reflecting the number of shares held by each of its participating entities. Each participating entity, in turn, maintains a registry of the owners of such shares, provided that holders of shares may elect to open a direct account with Iberclear.

Since the Shares are registered in book-entry form, the Company or a third-party appointed by it for that purpose shall have the right to request from Iberclear the details of its shareholders and their ultimate beneficial owners (that is, the person on whose behalf the intermediary institution acts as a shareholder by virtue of the accounting record). This includes the right to obtain information on (i) their names, addresses and contact details; (ii) the number of shares held by them; (iii) if expressly requested by the Company, the class of shares and the date of ownership. Shareholders' personal data shall be processed with the aim to facilitate the exercise of shareholders' rights and to encourage long-term shareholder engagement and shall comply with Regulation (EU) 2016/679, of April 27, 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, and general data protection regulations.

The Shares are freely transferable in accordance with the Spanish Companies Act, the Securities Market Act and any implementing regulation and the Company's Bylaws.

As a general rule, transfers of shares quoted on the Spanish Stock Exchanges must be made through or with the participation of a member of a Spanish Stock Exchange. Brokerage firms, or dealer firms, Spanish credit entities, investment services entities authorized in other EU Member States and investment services entities authorized by their relevant authorities and in compliance with the Spanish regulations are eligible to be members of the Spanish Stock Exchanges. See "*Market Information*". Transfer of shares quoted on the Spanish Stock Exchanges may be subject to certain fees and expenses.

Restrictions on foreign investment

Exchange controls and foreign investments are regulated under Law 19/2003, of July 4 ("**Law 19/2003**"), as amended and supplemented pursuant to Royal Decree-Law 8/2020, of March 17; Royal Decree-Law 11/2020, of March 31; Royal Decree-Law 34/2020, of November 17, Royal Decree-Law 12/2021, of June 24; Royal Decree-Law 27/2021, of November 23 and Royal Decree-Law 20/2022, of 27 December. Foreign investments were generally liberalized prior to the enactment of article 7 bis of Law 19/2003 in March 2020.

Article 7 bis of Law 19/2003 establishes a screening mechanism (the "**Screening Mechanism**") based on public order, public health and public security reasons for specific investments (with a minimum investment of €1 million) made by:

- non-EU and non-EFTA residents; and
- EU/EFTA residents beneficially owned by non-EU and non-EFTA residents, that is, those in which a non-EU and non-EFTA resident ultimately owns or controls more than 25% of the share capital or voting rights of, or otherwise exercises control over, the EU/EFTA resident.

In addition, until December 31, 2024 (or, if the term is extended, as it has been three times, until the relevant extension date, if applicable), the Screening Mechanism applies to the closing of specific investments in listed companies, (or with an investment value over €500 million in private companies) made by:

- EU or EFTA residents in countries other than Spain; and
- Spanish residents beneficially owned by EU or EFTA residents in countries other than Spain, that is, those in which a EU or EFTA resident other than in Spain ultimately owns or controls more than 25% of the share capital or voting rights of, or otherwise exercises control over, the Spanish resident.

The Screening Mechanism can be summarized as follows:

- Under the ordinary procedure, prior authorization from the Spanish Council of Ministers (Consejo de Ministros) is required to close foreign direct investments subject to it. The legal term to issue a decision is six months.
- On a transitional basis, until the Screening Mechanism is further developed, a fast-track 30-day procedure, whose resolution is to be issued by a lower-tier authority (the General Directorate for International Trade and Investments—Dirección General de Comercio Internacional e Inversiones—), applies for investments (i) agreed but not closed prior to March 18, 2020; and (ii) those below €5 million.
- Under both the ordinary and fast-track procedures, the investment will be deemed unauthorized if the relevant authority does not respond to the authorization request within the corresponding legal term.

Foreign direct investments are:

- investments that result in a foreign investor reaching a stake of at least 10% of the share capital of a Spanish company; and
- any corporate transaction, business action or legal transaction by which a foreign investor acquires control over the entirety or part of a Spanish company; the possibility of exercising decisive influence as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly) is deemed to constitute “control” for these purposes.

Not all foreign direct investments are subject to the Screening Mechanism, as that circumstance will depend on: (i) the sector in which the target carries out its business; and (ii) the personal circumstances of the foreign investor, regardless of the business of the target.

Foreign direct investments in the following sectors are subject to the Screening Mechanism:

- Critical infrastructure, whether physical or virtual, including energy, transport, water, health, communications, media, data processing or storage, aerospace, defense, electoral or financial infrastructure, sensitive facilities, and land and real estate crucial for the use of such infrastructure.
- Critical and dual-use technologies, key technologies for industrial leadership and training, and projects of particular interest to Spain, including telecommunications, artificial intelligence, robotics, semiconductors, cyber security, aerospace, defence, energy storage, quantum and nuclear technologies, nanotechnologies, biotechnologies, advanced materials and advanced manufacturing systems.
- Supply of critical inputs, including energy, strategic connectivity services, raw materials and food security.
- Sectors with access to sensitive information, including personal data, or the ability to control such information.
- Media.
- Other sectors designated by the Spanish government from time to time that may affect public security, order or health (currently none).

Foreign direct investments by the following non-EU and non-EFTA investors are also subject to the Screening Mechanism, regardless of the business of the target:

- Investors directly or indirectly controlled by a non-EU and non-EFTA government, including state bodies, armed forces or sovereign wealth funds; the possibility of exercising decisive influence as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly) is deemed to constitute “control” for these purposes.
- Investors who have already made an investment affecting national security, public order or public health in another EU Member State, including an investment in any of the above-mentioned sectors.
- If there exists a serious risk that the investor engages in illegal or criminal activities affecting national security, public order or public health in Spain.

Gun jumping the Screening Mechanism will render the transaction invalid and without any legal effect, until the required authorization is obtained. In addition, fines of up to the value of the investment could be imposed.

In addition, Royal Decree 664/1999, of April 23 establishes that non-Spanish foreign investors who are not resident in a tax haven are required to file a notification with the Spanish Registry of Foreign Investments following an investment or divestment, if any; this is, solely for statistical, economic and administrative purposes. Where the investment or divestment is made in shares of Spanish companies listed on any of the Spanish Stock Exchanges, the duty to provide notice of a foreign investment or divestment lies with the relevant entity with whom the shares (in book-entry form) have been deposited or which has acted as an intermediary in connection with the investment or divestiture.

If the foreign investor is a resident in a tax haven, as defined under Spanish law (Royal Decree 1080/1991, of July 5), notice must be provided to the Registry of Foreign Investments prior to making the investment, as well as after consummating the transaction. However, prior notification is not necessary in the following cases:

- investments in listed securities, whether or not traded on an official secondary market;
- investments in stakes in investment funds registered with the CNMV; and
- foreign shareholdings that do not exceed 50.0% of the capital of the Spanish company in which the investment is made.

Additional regulations apart from those described above apply to investments in specific industries, including air transportation, mining, the manufacturing and sale of weapons and explosives for civil use and national defense, radio, television, and telecommunications. These restrictions do not apply to investments made by EU residents, other than investments by EU residents in activities relating to the Spanish defence sector or the manufacturing and sale of weapons and explosives for non-military use.

Finally, take into consideration that the Spanish Government is preparing a Royal Decree that intends to introduce relevant amendments to the legal regime for foreign investments in Spain (i.e. Royal Decree 664/1999) and the abovementioned Screening Mechanism. At the date of this Prospectus, the text of said Royal Decree is only a draft.

Exchange control regulations

Pursuant to Royal Decree 1816/1991 of December 20 relating to economic transactions with non-residents, as amended by Royal Decree 1360/2011 of October 7, and EC Directive 88/361/EEC, charges, payments or transfers between non-residents and residents of Spain must be made through a registered entity, such as a bank or another financial institution registered with the Bank of Spain (*entidades registradas*), through bank accounts opened abroad with a foreign bank or a foreign branch of a registered entity, in cash or by check payable to bearer. All charges, payments or transfers which exceed €6,010 (or its equivalent in another currency), if made in cash or by check payable to bearer, must be notified to the Spanish exchange control authorities.

Shareholders' Information Rights

From the date of publication of the General Shareholders' Meeting notice until the fifth day prior to the date scheduled for the meeting on first call, shareholders may (i) request in writing the information or clarifications they deem necessary, and (ii) ask the questions they deem appropriate, regarding the matters included in the agenda. In addition, upon the same prior notice and in the same manner, the shareholders may request in writing such clarifications as they deem are necessary regarding information available to the public that the Company has provided to the CNMV since the holding of the last General Shareholders' Meeting, and regarding the report submitted by the Company to the external auditor. The directors shall provide the requested information in writing by the day of the General Shareholders' Meeting.

During the course of the General Shareholders' Meeting, all shareholders may verbally request clarifications regarding information available to the public that the Company has provided to the CNMV since the holding of the last General Shareholders' Meeting and regarding the report submitted by the Company's external auditor. If it were not possible to provide the requested information during the course of the meeting, the directors must provide the requested information in writing within seven days of the celebration of the General Shareholders' Meeting.

Directors shall be obliged to provide the requested information, except when (i) it is deemed unnecessary to safeguard the shareholder's rights or if there are objective reasons to believe that it may be used for purposes unrelated to the Company or that its disclosure might be detrimental to the Company or to related companies; (ii) prior to the formulation of a specific question, the information requested is clearly, expressly and directly available to all shareholders on the Company's website in a question and answer format. In this case, the Board of Directors may limit its answer to refer to the information provided in this format; (iii) the request for information or clarification does not refer to matters included in the agenda or to information accessible to the public that has been provided by the Company to the CNMV since the holding of the previous General Shareholders' Meeting; or (iv) refusal to comply with the requested is due to legal or regulatory provisions or court rulings.

Notwithstanding the foregoing, if the request is supported by shareholders representing at least 25% of share capital, the information may not be withheld.

Reporting requirements

Transactions Affecting Voting Rights

Pursuant to Royal Decree 1362/2007 of October 19, any individual or legal entity which, by whatever means, purchases or transfers shares which grant voting rights in the Company, must notify both the Company and the CNMV if, as a result of such transaction, the proportion of voting rights held by that individual or legal entity reaches, exceeds or falls below a threshold of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 60%, 70%, 75%, 80% and 90% of the total voting rights.

The individual or legal entity obliged to carry out the notification must serve the notification by means of the form approved by the CNMV, within four trading days from the date on which the individual or legal entity acknowledged or should have acknowledged the circumstances that generated the obligation to notify (Royal Decree 1362/2007 deems that the obliged individual or legal entity should have acknowledged the aforementioned circumstance within two trading days from the date on which the transaction was entered into, regardless of the date on which the transaction takes effect).

The reporting requirements apply not only to the purchase or transfer of shares, but also to those transactions in which, without a purchase or transfer, the proportion of voting rights of an individual or legal entity reaches, exceeds or falls below the threshold that triggers the obligation to report as a consequence of a change in the total number of voting rights of a company on the basis of the information reported to the CNMV and disclosed by it. In such a case, the transaction is deemed to be acknowledged within two trading days from the date of publication of the other relevant information notice (*comunicación de otra información relevante*) regarding such transaction.

Should the individual or legal entity effecting the transaction be a non-resident of Spain, notice must also be given to the Spanish Registry of Foreign Investments maintained by the General Bureau of Commerce and Investments. See "*Restrictions on Foreign Investments—Spain*".

Regardless of the actual ownership of the shares, any individual or legal entity with a right to acquire, transfer or exercise voting rights granted by the shares, and any individual or legal entity which acquires, transfers or holds, whether directly or indirectly, other securities or financial instruments which grant a right to acquire shares with voting rights, will also have an obligation to notify the Company and the CNMV of the holding of a significant stake in accordance with the applicable regulations set out above.

Should the person or group effecting the transaction be resident in a tax haven (as defined in Royal Decree 1080/1991 of July 5), the threshold that triggers the obligation to disclose the acquisition or transfer of Shares is reduced to 1% (and successive multiples thereof).

All members of the Board of Directors must report to both the Company and the CNMV any percentage or number of voting rights in the Company held by them at the time of becoming or ceasing to be a member of the Board of Directors within five trading days. Furthermore, all members of the Board of Directors must report any change in the percentage of voting rights they hold,

regardless of the amount, as a result of any acquisition or disposition of the shares or voting rights, or financial instruments which carry a right to acquire or dispose of shares which have voting rights attached, including any stock based compensation that they may receive pursuant to any of the Company's compensation plans.

Senior Management must also report any stock based compensation that they may receive pursuant to any of the Company's compensation plans or any subsequent amendment to such plans. See "*Management and Board of Directors—Compensation*" for information on the ordinary shares held by both members of the Board of Directors and of the Senior Management.

Disclosure Requirements Applicable to Persons Discharging Managerial Responsibilities

Pursuant to article 19 of MAR, persons discharging managerial responsibilities and any persons closely associated with them must report to both the Company and the CNMV any acquisition or disposal of shares or debt instruments of the Company or derivatives or other financial instruments linked thereto, regardless of the size of the relevant transaction, within three business days after the date the transaction is made, provided that transactions carried out by the relevant person within the calendar year reach €20,000 in the aggregate, such person shall inform both the Company and the CNMV of any transaction concerning the Company's financial instruments.

Article 3(25) of MAR defines persons discharging managerial responsibilities as a person within an issuer who is either (i) a member of the administrative, management or supervisory body of the issuer; or (ii) a senior executive who is not a member of the bodies referred to in item (i), who has regular access to inside information relating directly or indirectly to the issuer and power to take managerial decisions affecting the future developments and business prospects of the issuer.

In certain circumstances established by Royal Decree 1362/2007, the notification requirements on the acquisition or transfer of shares also apply to any person or legal entity that, directly or indirectly, and independently of the ownership of the shares or financial instruments, may acquire, transfer or exercise the voting rights granted by those shares or financial instruments, provided that the aggregated proportion of voting rights reaches, increases above or decreases below, the percentages set forth by Spanish law.

Moreover, pursuant to article 30.6 of Royal Decree 1362/2007, in the context of a tender offer, the following transactions should be notified to the CNMV: (i) any acquisition reaching or exceeding 1% of the voting rights of the Company, and (ii) any increase or decrease in the percentage of voting rights held by holders of 3% or more of the voting rights in the Company. The CNMV will immediately make public this information.

Shareholders' agreements

The Securities Market Act and Articles 531, 533 and 535 of the Spanish Companies Act require parties to disclose certain types of shareholders' agreements that affect the exercise of voting rights at a general shareholders' meeting or contain restrictions or conditions on the transferability of shares or bonds that are convertible or exchangeable into shares of listed companies.

If the Company's shareholders enter into such agreements with respect to the Shares, they must disclose the execution, amendment or extension of such agreements to the Company and to the CNMV, file such agreements with the appropriate commercial registry and publish them through a regulatory information notice (*comunicación de información privilegiada o relevante*). Failure to comply with these disclosure obligations renders any such shareholders' agreement unenforceable and constitutes a violation of the Securities Market Act.

Such a shareholders' agreement will have no effect with respect to any restrictions or limitations to the right to vote in a General Shareholders' Meeting and restrictions or conditions on the free transferability of the Shares and bonds convertible into Shares until such time as the aforementioned notifications, deposits and publications are made.

Upon request by the interested parties, the CNMV may waive the requirement to report, deposit and publish the relevant shareholders' agreement if the publication thereof could cause harm to the company involved.

For a description of a shareholders' agreement entered into by certain of the Company's shareholders, see "*Principal Shareholders—Shareholders' Agreements*".

Net short positions

In accordance with Regulation (EU) No 236/2012 of the European Parliament and of the Council of March 14, 2012 on short selling and certain aspects of credit default swaps (the “**Short Selling Regulation**”) (as further supplemented by several delegated regulations regulating technical aspects necessary for its effective enforceability and to ensure compliance with its provisions), net short positions on shares listed on the Spanish Stock Exchanges equal to, or in excess of, 0.2% of the relevant Company’s share capital and any increases or reductions thereof by 0.1% are required to be disclosed to the CNMV.

If the net short position reaches 0.5%, and also at every 0.1% above that, the CNMV will disclose the net short position to the public. The Short Selling Regulation restricts uncovered short sales in shares, providing that a natural or legal person may enter into a short sale of a share admitted to trading on a trading venue only where one of the conditions established in article 12 of the Short Selling Regulation is fulfilled.

The notification or disclosure mentioned above shall be made not later than by 3:30 p.m. (CET) on the following trading day.

Disclosure is mandatory even if the same position has been already notified to the CNMV in compliance with transparency obligations previously in force in that jurisdiction.

The information to be disclosed is set out in Table 1 of Annex I of Delegated Regulation 826/2012 of the European Parliament and of the Council of June 29, 2012, according to the format of the form approved as Annex II of this Delegated Regulation. The information will be published, where appropriate, on a web page operated or supervised by the CNMV.

Moreover, pursuant to the Short Selling Regulation, where the CNMV considers that (i) there are adverse events or developments that constitute a serious threat to financial stability or to market confidence (such as: serious financial, monetary or budgetary problems, which may lead to financial instability, unusual volatility causing significant downward spirals in any financial instrument, etc.); and (ii) the measure is necessary and will not be disproportionately detrimental to the efficiency of financial markets in view of the advantages sought, it may, following consultation with ESMA, take any one or more of the following measures:

- Impose additional notification obligations by either (i) reducing the thresholds for the notification of net short positions in relation to one or several specific financial instruments; and/or (ii) requesting the parties involved in the lending of a specific financial instrument to notify any change in the fees requested for such lending.
- Restrict short selling activity by either prohibiting or imposing conditions on short selling.

In addition, according to Short Selling Regulation, where the price of a financial instrument has fallen significantly during a single day in relation to the closing price on the previous trading day (10% or more in the case of a liquid share), the CNMV may prohibit or restrict short selling of financial instruments for a period not exceeding the end of the trading day following the trading day on which the fall in price occurs.

Finally, the Short Selling Regulation also vests powers to ESMA enabling it to take measures similar to the ones described above in exceptional circumstances, when the purpose of these measures is to deal with a threat affecting several EU Member States and the competent authorities of these member states have not taken adequate measures to address it.

Share repurchases

On June 25, 2020, the General Shareholders’ Meeting approved a resolution authorising the Board of Directors to directly or indirectly through subsidiaries of the Company repurchase of its own shares, subject to the following terms and limits:

- Form of acquisition: acquisition by purchase or other “*inter vivos*” act for valuable consideration permitted by law.
- Maximum number of shares to be acquired will be from time to time the maximum number of shares permitted by law.
- Minimum and maximum purchase price: purchases may not be made at a price 5% higher or lower than the weighted average price on the day on which the purchase is made (or minimum and maximum prices permitted by law from time to time).
- Maximum trading volume: the maximum daily trading volume relating to the acquisition of own shares shall not exceed 15 % of the average daily volume traded on the order market of the regulated market or of the Spanish multilateral trading system in the previous thirty sessions.

- Duration of the authorization: five years as from the date of the agreement (i.e., June 25, 2025).

As of April 10, 2023, the Company held 2,204,416 treasury shares with a total par value of €220.4 thousand and book value of €74,792 thousand and 2,213,972 treasury shares as of December 31, 2022 with a total par value of €221.3 thousand and book value of €72,909 thousand.

As of the date of this Prospectus, the Company does not have in place a buy-back program and do have a liquidity contract with Banco Santander, S.A.

Pursuant to the Spanish Companies Act, the Company may only repurchase its own shares within certain limits and in compliance with the following requirements:

- The repurchase must be previously authorized by the General Shareholders' Meeting in a resolution establishing the maximum number of shares to be acquired, the ownership title for the acquisition, the minimum and maximum acquisition price (if any) and the duration of the authorization, which may not exceed five years from the date of the resolution.
- The repurchase, including the shares already acquired and currently held by the Company, or any person or company acting in the Company's own name but on its behalf, must not bring the Company's net equity below the aggregate amount of the share capital and legal or non-distributable reserves. For these purposes, net equity means the amount resulting from the application of the criteria used to draw up the financial statements, subtracting the amount of profits directly allocated to such net equity, and adding the amount of share capital subscribed but not called and the share capital par value and issue premium recorded in the accounts as liabilities.
- The aggregate value of the shares directly or indirectly repurchased, together with the aggregate par value of the ordinary shares already held by the Company, must not exceed 10% of its share capital.
- Shares repurchased for valuable consideration must be fully paid-up. A repurchase shall be considered null and void if (i) the shares are partially paid-up, except in the case of free repurchase, or (ii) the shares entail ancillary obligations.

Treasury shares lack voting and economic rights (for example, the right to receive dividends and other distributions and liquidation rights). Such economic rights except the right to receive bonus shares, will accrue proportionately to all the shareholders. Treasury shares are counted for purposes of establishing the quorum for general meetings of shareholders as well as majority voting requirements to pass resolutions at general meetings of shareholders.

MAR establishes rules in order to ensure the integrity of the European Community's financial markets and to enhance investor confidence in those markets. This regulation maintains an exemption from the market manipulation rules regarding share buy-back programs by companies listed on a stock exchange in an EU Member State. Regulation 2016/1052 implements MAR with regard to the regulatory technical standards for the conditions applicable to buy-back programs and stabilization measures. According to the provisions included in Regulation 2016/1052, in order to benefit from the exemption, an issuer implementing a buy-back program must comply with the following requirements:

- Prior to the start of trading in a buy-back program, the issuer must ensure the adequate disclosure of the following information:
 - (i) the purpose of the program. According to article 5.2 of MAR, the buy-back program must have as its sole purpose to (a) reduce the capital of the issuer; (b) meet obligations arising from debt financial instruments convertible into equity instruments; or (c) meet obligations arising from share option programs, or other allocations of shares, to employees or to members of the administrative, management or supervisory bodies of the issuer or of an associate company;
 - (i) the maximum pecuniary amount allocated to the program;
 - (ii) the maximum number of shares to be acquired; and
 - (iii) the period for which authorization for the program has been granted.
- The issuer must ensure that the transactions relating to the buy-back program meet the conditions included on article 3 of Regulation 2016/1052. Specifically, the issuer must ensure that the purchase price is not higher than the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is

carried out. Furthermore, issuers must not purchase on any trading day more than 25% of the average daily volume of shares on the corresponding trading venue.

- Issuers shall not, for the duration of the buy-back program, engage on (i) selling of own shares; (ii) trading during the closed periods referred to in article 19.11 of MAR; and (iii) trading where the issuer has decided to delay the public disclosure of inside information.

CNMV Circular 1/2017 of April 26, on liquidity contracts entered into by issuers with financial institutions for the management of its treasury shares, as amended by CNMV Circular 2/2019 of November 27, governs the disclosure requirements by issuers and the rules of conduct to be followed by financial intermediaries when trading under a liquidity contract for these trades to benefit from the safe harbor provided by such Circular and qualify as an accepted market practice for the purposes of MAR.

Furthermore, according to Royal Decree 1362/2007, if an acquisition or series of acquisitions of the Shares reaches or exceeds or causes the Company's and the Group company's holdings to reach or exceed 1% of the voting shares, the Company must notify its final holding of treasury shares to the CNMV. If such threshold is reached as a result of a series of acquisitions, such reporting obligation will only arise after the closing of the acquisition which, taken together with all acquisitions made since the last of any such notifications, causes the Company's and its affiliates' holdings to exceed 1% of the voting shares. Sales and other transfers of the treasury shares will not be deducted in the calculation of such threshold. This requirement would also apply if the shares were acquired by one of the Company's majority-owned subsidiaries.

Moreover, pursuant to Spanish Companies Act, the audited financial statements of a company must include a reference to any treasury shares. See Note 15 of the Financial Statements for information about the Company's treasury shares.

TAXATION

Spanish Tax Considerations

The following section is a general description of the tax regime applicable under Spanish legislation currently in force (and implementing regulations and under the administrative interpretations thereof) as of the date of approval of this Prospectus to the subscription, acquisition, ownership and, as the case may be, subsequent disposition of the New Shares and to the receipt and subsequent disposition, if any, of the Preferential Subscription Rights.

This analysis does not address all of the potential tax consequences of the aforementioned transactions, or the regime applicable to all categories of investors, some of whom (such as, financial institutions, collective investment undertakings, pension funds cooperatives and look-through entities, etc.) may be subject to special rules. In addition, this description does not consider regional tax regimes in force applicable in the Historical Territories of the Basque Country and the Historical Autonomous Region of Navarre (“*Concierto*” and “*Convenio Económico*”, respectively) or the regulations adopted by the different Spanish Autonomous Regions (“*Comunidades Autónomas*”) that may apply to investors regarding particular taxes.

In particular, the applicable rules are set forth in:

- (i) Law 35/2006 of November 28 on the Personal Income Tax and on the partial amendment of the Corporate Income Tax, Non-resident Income Tax and Wealth Tax Law (the “**PIT Law**”) and its implementing regulations, as approved by Royal Decree 439/2007 of March 30;
- (ii) the amended consolidated text of the Non-resident Income Tax Law (the “**NRIT Law**”) approved by Royal Legislative Decree 5/2004 of March 5 and its implementing regulations, as approved by Royal Decree 1776/2004 of July 30;
- (iii) Law 27/2014 of November 27 on Corporate Income Tax (the “**CIT Law**”); and its implementing regulations, as approved by Royal Decree 634/2015 of July 10;
- (iv) Law 19/1991 of June 6 on Wealth Tax (the “**Wealth Tax Law**”);
- (v) Law 38/2022 of December 27 on the establishment of Temporary Taxes on Energy and Credit Institutions and Financial Credit Establishments and levying Temporary Solidarity Tax on Wealth (the “**Temporary Solidarity Tax on Wealth Law**”); and
- (vi) Law 29/1987 of December 18 on Inheritance and Gift Tax (the “**IGT Law**”).

Investors are advised to consult their tax advisors or lawyers concerning the specific tax consequences in light of their particular circumstances.

Likewise, investors should consider any potential changes to the legislation currently in effect occurring in the future (which may have retroactive effects), and on the interpretations that may be made on such legislation by the Spanish tax authorities, which could differ from the interpretation set out below.

Prospective investors should consult their own tax advisers who can provide them with personalized advice based on their particular circumstances.

Indirect taxation on the acquisition and disposition of the New Shares

The subscription and, as the case may be, subsequent disposition of the New Shares is exempt from Transfer Tax, Stamp Duty and Value Added Tax under the terms and with the exemptions set out in Section 338 of the Securities Market Act.

Direct taxation on the ownership and subsequent disposition of the New Shares

Shareholders resident in Spanish territory

This section considers the tax treatment applicable to investors considered resident in the Spanish territory for tax purposes. In general, and without prejudice to the provisions of the double taxation treaties entered into by Spain (the “**Double Taxation Treaties**”), investors considered to be resident in Spain for these purposes include entities resident in Spain pursuant to Article 8 of the CIT Law and individuals whose permanent available home is in Spain, as defined in Article 9.1 of the PIT Law, together

with those resident abroad who are members of Spanish diplomatic missions, Spanish Consuls and other official bodies, as set down in Article 10.1 thereof. Likewise, investors considered resident in Spain for tax purposes also include individuals with Spanish nationality who, while ceasing their tax residency in Spain, demonstrate their new tax residency to be in a non-cooperative jurisdiction during the tax period in which the change of residence takes place and the following four periods, pursuant to Article 8.2 of the PIT Law.

Individuals who acquire tax residency in Spain as a result of moving to Spanish territory may opt to pay Personal Income Tax ("PIT") or Non-Resident Income Tax ("NRIT") during the period in which the change of residency takes place, and the five subsequent years, providing the requirements set forth in Article 93 of the PIT Law are met.

Spanish resident individuals

Personal income tax

- Capital income

Pursuant to Article 25 of the PIT Law, capital income shall be considered to include dividends, considerations paid for attending at shareholders' meetings, income from the creation or assignment of rights of use or enjoyment of the New Shares and, in general, the participation in the Company's profits, and any other income received from the entity in his or her position as shareholder of the Company.

Capital income obtained by the shareholder as a result of ownership of the New Shares shall be deducted by any administration and custody expenses from the gross income received, but not by those discretionary or individualized portfolio management expenses. This net amount shall be included in the taxable base for capital income of the year in which it is due and as from 2023, taxed at a fixed rate of 19% (for the first €6,000 of capital income obtained by the individual), 21% (for capital income of between €6,000.01 and €50,000), 23% (for capital income of between €50,000.01 and €200,000), 27% (for capital income of between €200,000.01 and €300,000) or 28% (for capital income in excess of €300,000.01).

The amount obtained through the distribution of the issue premium for shares admitted to trading on any of the regulated securities markets defined in MiFID II (such as the New Shares) shall reduce, until cancellation, the acquisition value of the specific shares. The excess over that acquisition value will be taxed as capital income on the terms set out in the preceding paragraph.

In addition, shareholders shall, in general, be liable for a PIT withholding at a current rate of 19% on the full amount of profit distributed in the relevant tax year. This withholding shall be creditable from the PIT payable. If the amount of PIT payable is less than the PIT withholding, it shall give rise to the refund provided for in Article 103 of the PIT Law. As an exception, PIT withholding is not applied on distributions of share premium.

- Capital gains and losses

Any change in the value of the assets owned by PIT taxpayers resulting from any alteration in such assets may give rise to capital gains or losses which, in the event of the transfer of New Shares for valuable consideration, shall be calculated as the negative or positive difference between the acquisition value of the securities and their transfer value, determined by: (i) the listed value of the shares as of the transfer date; or (ii) the agreed transfer price, when this exceeds the listed value of the shares.

Where the PIT taxpayer owns other securities of the same kind, the acquisition price of the transferred shares is based on the principle that those acquired first are sold first (FIFO).

Both the acquisition and transfer values are increased or reduced, respectively, by the costs and taxes inherent to such transactions borne by the acquirer or transmitter, respectively.

Capital gains or losses derived from the transfer of the New Shares shall be included and offset in the savings taxable base of the tax period in which the transfer takes place, being taxed as from 2023 tax year at a rate of 19% for the first €6,000 of investment income obtained by the individual; 21% for income of between €6,000.01 and €50,000; 23% for income of between €50,000.01 and €200,000; 27% for income of between €200,000.01 and €300,000 and 28% for income in excess of €300,000.01.

Capital gains derived from transfer of the New Shares are not subject to withholding tax. Finally, certain losses derived from the transfer of the New Shares will not be treated as capital losses when identical securities are acquired during the two months prior

or subsequent to the transfer date which originated that loss. In such cases, capital losses shall be included in the taxable base upon the transfer of the remaining shares of the taxpayer.

- Preferential Subscription Rights

Distributions to Spanish shareholders of the Preferential Subscription Rights to subscribe for New Shares made with respect to the Shares are not treated as income under Spanish tax law. The exercise of Preferential Subscription Rights is not considered a taxable event under Spanish law.

The proceeds obtained from the transfer of Preferential Subscription Rights of the Shares received by a Company's shareholder shall be regarded as capital gains for the transferor corresponding to the tax period in which the transfer takes place, being subject to withholding on account of PIT at the current rate of 19%. This withholding on account of PIT is levied by the depositary entity or, in the absence thereof, by the financial intermediary or notary public that intervenes in the transfer.

Such capital gain derived from transfer of the Preferential Subscription Rights corresponding to the New Shares shall be included and offset in the savings taxable base, being taxed as from 2023 tax year at a fixed rate of 19% for the first €6,000 of capital income obtained by the individual; 21% for capital income between €6,000.01 and €50,000; 23% for capital income of between €50,000.01 and €200,000; 27% for capital income of between €200,000.01 and €300,000 or 28% for capital income in excess of €300,000.01.

Wealth Tax

Individual shareholders who are resident in the Spanish territory shall be subject to Wealth Tax on their total net wealth at December 31, irrespective of where their assets might be located or rights might be exercised.

This taxation shall be imposed pursuant to Wealth Tax Law which, for these purposes, sets a minimum tax-free allowance of €700,000, in accordance with a tax scale with marginal rates ranging between 0.2% and 3.5%, without prejudice to specific rules that may have been approved by the Spanish Autonomous Regions.

Individuals resident for tax purposes in Spain who acquire the New Shares and who are required to file Wealth Tax returns must declare the New Shares they hold at December 31, of each year, which shall be valued using the average trading price in the last quarter of the year. The Ministry of Finance publishes annually this average trading price for the Wealth Tax purposes.

Temporary Solidarity Tax on Wealth

As from 2022, individual shareholders resident in Spanish territory for tax purposes are subject to Temporary Solidarity Tax on Wealth on their total net wealth at December 31, regardless of where their assets are located or the rights may be exercised.

Taxation under this tax may be levied in accordance with the provisions of Wealth Tax Law (see section above) and Temporary Solidarity Tax on Wealth Law, which, for these purposes, sets a minimum tax-free allowance of €700,000. Furthermore, taxation will be determined according to a scale with marginal rates ranging from 0.0% to 3.5%.

The Temporary Solidarity Tax on Wealth is incorporated as complementary to the Wealth Tax, levying an additional tax on the assets of individuals whose value, determined in accordance with the rules of the Wealth Tax, exceeds €3,000,000.00 and to the extent that they are not taxed by the Wealth Tax or are taxed for an amount lower than that which would result from taxation under the Temporary Solidarity Tax on Wealth. In this sense, the net tax liability accrued for the Temporary Solidarity Tax on Wealth will be reduced, in addition to the amount of the deductions and allowances set forth in Wealth Tax Law, by the amount of the net tax liability effectively paid pursuant to Temporary Solidarity Tax on Wealth.

The Temporary Solidarity Tax on Wealth is established for an initial period of 2 years. However, the Temporary Solidarity Tax on Wealth Law incorporates a revision clause to evaluate its results at the end of the initially planned period of validity in order to assess whether it should be maintained or removed.

Inheritance and Gift Tax

The transfer of shares by inheritance or gift in favour of individuals who are resident in Spain is subject to Inheritance and Gift Tax ("IGT") in accordance with IGT Law. The acquirer of the securities is liable for this tax as taxpayer. The tax rate applicable to the taxable base ranges from 7.65% to 34%. The effective tax rate would depend on specific factors, such as the wealth of the

taxpayer and the degree of their kinship with the deceased or the donor, subject to the specific rules approved in each Spanish Autonomous Region and, as a result, the effective tax rate may vary from between 0% to 81.6%.

Corporate resident shareholders

Corporate income tax

- Dividends

Corporate income tax (“CIT”) taxpayers and NRIT taxpayers who act in Spain for these purposes through permanent establishments shall include the gross amount of dividends or interest in profits received as a result of ownership of the New Shares, and the costs inherent to this interest, in their taxable base, in accordance with Article 10 and onwards of the CIT Law. The general tax rate applicable to this income is 25%. In the event of a distribution of share premium, the amount received by CIT taxpayers shall reduce, until cancellation, the acquisition value of the specific shares. The excess over that acquisition value will be included in the taxable base as income. Shareholders who are CIT taxpayers must consult their tax advisors regarding the possibility to apply the CIT exemption pursuant to article 21 of the CIT Law on this income with the limitations explained below.

However, as a general rule, dividends and interests in profits of a company could be entitled to a 95% exemption from CIT, pursuant to Article 21 of the CIT Law, to the extent that the percentage of the direct or indirect participation in the capital or equity of the entity is at least 5%. For this exemption to apply, the participation must be held uninterruptedly during the year prior to the day on which the dividend is distributed, or otherwise be held for the time needed to complete this period (and provided that other requirements that need to be analysed on a case by case basis are fulfilled).

Should the Company obtain dividends, interest in profits of a company or income arising from the disposition of securities representing the capital or equity of entities to a value of more than 70% of its income, the application of this exemption is conditional on the compliance of complex requirements which, in essence, require the CIT-payer holder of the shares to have an indirect holding of at least 5% of the share capital of those entities, unless these subsidiaries meet the conditions referred to in Article 42 of the Spanish Commercial Code to form part of the same group of companies of the direct subsidiary, and they prepare consolidated financial statements. Investors are advised to consult their tax advisors or lawyers to determine the compliance of the requirements to apply this exemption.

While as until 2020 the mentioned CIT exemption for dividends and interests in profits of a company was built as a full exemption, as from 2021 it was reduced in general terms from the full exemption (100%) to a 95% exemption in most cases. In practice, this means that dividends and interests in profits of a company obtained by CIT taxpayers will be taxed at an effective 1.25% rate (general 25% CIT rate on the 5% of the registered dividends and interests in profits of a company).

Additionally, as from 2021 please note that the 95% exemption only applies when the shareholder has at least a direct or indirect stake of 5% and therefore shareholders which have an acquisition value of their participation which exceeds €20 million will not be entitled to the exemption (without prejudice to the application of a grandfathering regime under specific conditions).

In addition, CIT taxpayers shall be subject to a withholding tax of 19% on the total profit distributed, unless any of the withholding exemptions set forth in prevailing regulations apply, in which case, the withholding tax shall be made exclusively on the amount which would not be exempt. The distribution of share premium should not be subject to withholding on account of CIT.

This withholding shall be creditable from the CIT payable and, should the latter be insufficient, it shall give rise to the refund provided for in Article 127 of the CIT Law.

- Preferential Subscription Rights

The allocation of Preferential Subscription Rights and their subscription as New Shares will not generate any income for CIT purposes provided the Preferential Subscription Rights are not associated to a shareholders’ remuneration program.

Proceeds obtained from the transfer of Preferential Subscription Rights are not subject to CIT withholding. Any accounting income obtained from the transfer of Preferential Subscription Rights is included in the taxable base, and taxed pursuant to general CIT rules (subject to the general CIT tax rate, currently of 25%). However, the Spanish General Directorate of Taxes has understood that these proceeds could be entitled to an exemption from CIT, pursuant to Article 21 of the CIT Law, with the requirements and limitations described in the previous section.

- Income derived from transfers of the New Shares

Any gain or loss derived from the transfer of the New Shares, whether for valuable consideration or not, shall be included in the taxable base of CIT (or of NRIT for those taxpayers acting, for these purposes, through a permanent establishment in Spain), in accordance with Article 10 and onwards of the CIT Law. The general tax rate applicable to this income is 25%. However, the deductibility of any losses that may be originated by the transfer of the New Shares may be subject to restrictions. Investors are advised to consult their tax advisors or lawyers about the application of such restrictions in their particular case. Income derived from the transfer of the New Shares shall not be subject to CIT withholding.

As a general rule, capital gains derived from the transfer of an interest in an entity may be entitled to a 95% CIT exemption, pursuant to Article 21 of the CIT Law, provided that the direct and indirect participation in the capital or equity of the entity is, at least, 5%. For this exemption to apply, this participation must be held uninterruptedly for the year prior to the day on which the transfer takes place (and provided that other requirements that need to be analysed on a case by case basis are fulfilled).

Should the Company obtain dividends, interest in profits of a company or income arising from the disposition of securities representing the capital or equity of entities to a value of more than 70% of its income, the application of this exemption is conditional on the compliance of complex requirements which, in essence, require the holder of the shares to have an indirect holding of at least 5% of the share capital of those entities, unless these subsidiaries meet the conditions referred to in Article 42 of the Spanish Commercial Code to form part of the same group of companies of the direct subsidiary, and they prepare consolidated financial statements. Investors are advised to consult their tax advisors or lawyers to determine the compliance of the requirements to apply this exemption.

While as until 2020 the mentioned CIT exemption for capital gains derived from the transfer of an interest in a company was built as a full exemption, as from 2021, the CIT exemption for capital gains was reduced in general terms from the full exemption (100%) to a 95% exemption in most cases. In practice, this means that capital gains obtained by CIT taxpayers would be taxed at an effective 1.25% rate (general 25% CIT rate on the 5% of the capital gains).

Additionally, as from 2021 please note that the 95% exemption only applies when the shareholder has at least a direct or indirect stake of 5% and therefore shareholders which have an acquisition value of their participation which exceeds €20 million will not be entitled to the exemption (without prejudice to the application of a grandfathering regime under specific conditions).

Wealth Tax

CIT taxpayers are not subject to Wealth Tax.

Temporary Solidarity Tax on Wealth

CIT taxpayers are not subject to Temporary Solidarity Tax on Wealth.

Inheritance and Gift Tax

CIT taxpayers are not subject to IGT, and income obtained through a gift is taxed pursuant to CIT rules.

Shareholders not resident in Spanish territory

This section analyses the tax treatment applicable to shareholders who are not resident in Spanish territory and are beneficial owners of the New Shares and the Preferential Subscription Rights. Non-resident shareholders are individuals who are not PIT taxpayers and entities not resident in Spanish territory, pursuant to Article 6 of the NRIT Law.

The tax regime described herein is general in nature, and the specific circumstances of each taxpayer should be considered in the light of the applicable Double Taxation Treaties.

Non-resident income tax

Non-resident shareholders acting through a permanent establishment in Spain

Ownership of the New Shares by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the New Shares form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the NRIT rules applicable to income deriving from such New Shares are similar to those for Spanish CIT taxpayers (set out above).

Non-resident shareholders not-acting through a permanent establishment in Spain

- Capital income

Dividends and other income from interest in the equity of an entity obtained by non-resident individuals and entities that are not resident in Spain and that do not act through a permanent establishment in the Spanish territory shall be subject to NRIT taxation in the 2023 tax year at the general withholding tax rate of 19% of the gross income obtained.

This taxation can be eliminated or reduced as per the application of (i) the Spanish NRIT exemption implementing the EU Parent-Subsidiary Directive or (ii) the benefits of a Double Taxation Treaty (for instance, the U.S.-Spain Double Tax Treaty reduces the rate to 15%), as long as the non-resident shareholders non-acting through a permanent establishment in Spain are the beneficial owners of the income and meet any other requirement under the applicable Double Taxation Treaty.

Under the EU Parent-Subsidiary Directive exemption profits distributed by subsidiaries resident in the Spanish territory to parent companies resident in other member states of the European Union (“EU”), or the permanent establishments of these located in other member states, shall be exempt when the following requirements are met:

- (a) Both companies are taxpayers for, and not exempt from, any of the taxes levied on legal entities in member states of the EU, according to Article 2.c) of Directive 2011/96/EU, of the Council, of November 30, 2011, with regard to the regime applicable to parent companies and subsidiaries in different member states, and the permanent establishments are subject to, and not exempt from, taxation in the state in which they are located;
- (b) The distribution of profits is not due to the liquidation of the subsidiary company;
- (c) Both companies are incorporated under the laws of a EU member state, under one of the forms set forth in the Annex to Directive 2011/96/EU, of the Council, of November 30, 2011, on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States, as amended by Directive 2014/86/EU, of the Council, of July 8, 2014; and
- (d) The parent company is the beneficial owner of the dividend received from its subsidiary.

A company is considered to be a parent company when it owns a direct or indirect participation of at least 5% in the share capital of the other company. The other company is deemed a subsidiary. This interest must have been held uninterrupted during the year prior to the date on which the profit has been distributed or becomes payable or, otherwise, the participation must continue to be held for the period needed to complete one year. In the latter case, Spanish withholding taxes (at the applicable rate) would be levied on the dividend at the time it is paid out, and the NRIT-payer and parent company should request a reimbursement to the Spanish tax authorities when the one year threshold is met. Investors are advised to consult their tax advisors or lawyers about the procedure to request this refund from the Spanish tax authorities.

As from 2021 please note that the EU Parent-Subsidiary Directive exemption only applies when the shareholder has at least a direct or indirect stake of 5% and therefore, shareholders which have an acquisition value of their participation that exceeds €20 million will not be entitled to the exemption (without prejudice to the application of a grandfathering regime under specific conditions).

This exemption shall also apply to profits distributed by subsidiaries resident in the Spanish territory to parent companies resident in member states of the European Economic Area (“EEA”), and the permanent establishments of such parent companies located in other member states, provided that the requirements set forth in the NRIT Law are met.

This exemption does not apply if the dividend is obtained through a territory which qualifies as a non-cooperative jurisdiction. The exemption does not apply either if the majority of the voting rights of the parent company are held, directly or indirectly, by legal entities or individuals who are not resident in member states of the EU or the EEA with which Spain has an effective exchange of taxation information, pursuant to section 4 of the first additional provision of Law 36/2006, of November 29, on measures for the

prevention of fiscal fraud, except when the incorporation and operation of such parent company is due to valid economic reasons and substantive business purposes.

The amount obtained through the distribution of the issue premium for shares admitted to trading on any of the regulated securities markets defined in MiFID II (such as the New Shares), shall reduce until cancellation the acquisition value of the relevant shares, with only the excess being taxed as capital income.

As a general rule, the Company will apply NRIT withholding of 19% on dividend payments. Distributions of share premiums are not subject to withholding on account of NRIT.

However, when a Double Taxation Treaty applies based on the tax residency of the recipient, the exemption or reduced tax rate established in the Double Taxation Treaty for such income shall apply, upon the taxpayer's evidence of their tax residency in the form established in the corresponding legislation, given that the shareholder is the beneficial owner entitled to receive the income payments in respect of the New Shares. For this purpose, a special procedure approved by Order of the Ministry of Finance and Treasury, on April 13, 2000 is applicable to make any withholding at the corresponding rate for non-resident shareholders, and, when applicable, for the exclusion of the withholding, provided that the payment procedure involves financial entities domiciled, resident or represented in Spain that are depositaries or which manage the collection of income from such securities.

Pursuant to this regulation, upon distribution of the dividend, the Company will withhold on the gross income of the dividend a rate of 19% in 2023 and transfer the resulting net amount to the depositary. The depositary which gives evidence in the established form of the right to the entitlement to the application of reduced rates or exclusion of withholding from the non-resident shareholders shall immediately receive the excess amount withheld, for subsequent distribution to the investors. To this end, the non-resident shareholders must, before the 10th of the month following the distribution of the dividend, provide their depositary with a certificate of tax residency issued by the relevant tax authority of their country of residence, stating that the investor is resident in such country in the terms defined in the relevant Double Taxation Treaty. In cases in which a reduced tax rate is provided by a Double Taxation Treaty pursuant to an Order establishing the use of a specific form, this form must be delivered instead of the certificate. Such tax residency certificates are generally valid for one year from the date of issue for these purposes, and must refer to the tax period in which the dividend is distributed.

When an exemption or reduced withholding tax rate under a Double Taxation Treaty is applicable, and the shareholder does not give evidence of its tax residency in a timely manner, the shareholder (who is the beneficial owner entitled to receive the income payments in respect of the New Shares) may request the Spanish tax authorities the refund of the amount withheld in excess, following the procedure and using the form stipulated in Spanish Order EHA/3316/2010, of December 17, 2010. In any case, if the NRIT withholding has been already made or the entitlement to the exemption has been recognized, non-resident shareholders are not required to file a tax return for NRIT purposes in Spain.

Investors are advised to consult their tax advisors or lawyers about the procedure to request any refund from the Spanish tax authorities.

- Capital gains and losses

Pursuant to the NRIT Law, capital gains derived from transfer of the New Shares, or any other capital gain related to such securities by legal entities or individuals who do not act through a permanent establishment in Spain shall be subject to NRIT, being the tax payable calculated, generally, in accordance with the rules set forth in PIT Law. In particular, capital gains derived from transfer of the shares shall be subject to NRIT at the rate of 19% in the 2023 tax year, unless a domestic exemption or a Double Taxation Treaty applies, in which case the provisions of the Double Taxation Treaty shall prevail.

Under Spanish tax law, the following capital gains will be exempt:

- Capital gains derived from the transfer of the New Shares in official secondary markets for Spanish securities which have not been obtained through a permanent establishment in Spain by individuals and entities resident in a jurisdiction that has signed a Double Taxation Treaty with Spain including an information-exchange clause (which applies to these individuals and entities), to the extent that they have not been obtained through countries defined as a non-cooperative jurisdictions.
- Capital gains derived from the transfer of the New Shares which have not been obtained through a permanent establishment in Spain by individuals and entities resident for tax purposes in other member states of the EU, or permanent establishments

of these resident in another EU member state (other than Spain), provided that they have not been obtained through countries officially qualifying as non-cooperative jurisdictions. This exemption does not apply to capital gains resulting from the transfer of shares or rights of an entity: (i) when the assets of that entity comprise, mainly, real estate property located in the Spanish territory, whether directly or indirectly; (ii) in the case that the transferor is a non-resident individual at any time during the twelve months prior to the transfer, when the transferor holds an interest, directly or indirectly, of at least 25% of the capital or equity of the company; or (iii) in the case that the transferor is a non-resident company, when the transfer does not meet the requirements for application of the exemption set down in Article 21 of the CIT Law.

This exemption shall also apply to capital gains which have not been obtained through a permanent establishment in Spain by individuals and entities resident for tax purposes in member states of the EEA, or permanent establishments of these resident in other member states of the EEA, provided that the requirements set forth in the NRIT Law are met.

The capital gain or loss shall be calculated and taxed separately for each transfer. Offsetting of gains and losses from different transfers is not permitted. The tax shall be calculated applying the rules set out in Article 24 of the NRIT Law.

Distributions to non-Spanish tax resident shareholders of the Preferential Subscription Rights to subscribe for the New Shares made with respect to the Shares are not treated as income under Spanish NRIT Law. The exercise of the Preferential Subscription Rights is not considered a taxable event under Spanish NRIT Law. Proceeds obtained from the transfer of Preferential Subscription Rights related to the New Shares shall be regarded as capital gains for the transferor in the tax period in which the transfer takes place, and shall be taxed according to the criteria set out above.

Pursuant to the NRIT Law, capital gains obtained by non-residents who do not act through a permanent establishment are not subject to withholding on account of NRIT.

Non-resident shareholders shall be obliged to file a tax return (currently, Form 210), calculating and paying, as applicable, the resulting NRIT due. This tax return may also be filed, and the NRIT paid, by the taxpayer's tax representative in Spain, the depository or the manager of the shares, applying the procedure and the tax return set out in Order EHA/3316/2010, of December 17, 2010.

In the event that an exemption applies, whether under Spanish law or through a Double Taxation Treaty, the non-resident investor must provide evidence of his/her/its right by providing a certificate of tax residency in a timely manner duly issued by the tax authorities of his/her/its country of residence (which must state, as the case may be, that the investor is resident in that country within the meaning of the applicable Double Taxation Treaty) or the form stipulated in the Order implementing the applicable Double Taxation Treaty. Such tax residency certificates are generally valid for one year from the date of issue for these purposes, and must refer to the tax period in which the capital gain is made.

Wealth Tax

Without prejudice to the specific provisions set forth in the Double Taxation Treaties entered into by Spain, the assets and rights of individuals whose permanent residency is not in Spanish territory pursuant to Article 9 of the PIT Law, and who own assets and rights that can be exercised or have to be met in Spanish territory on December 31 of each year shall be subject to Wealth Tax. However, taxpayers may deduct the minimum allowance of €700,000, being applicable the general scale for the tax, which ranges from 0.2% to 3.5%.

The Spanish tax authorities consider that the shares of Spanish companies are assets located in Spain for tax purposes.

In addition, the Wealth Tax Law provides for an exemption of securities whose income are exempt from taxation under NRIT rules.

If subject to Wealth Tax, the tax on New Shares admitted to trading on an official Spanish secondary market owned by non-resident natural persons shall be calculated using the average trading price in the last quarter of each year. The Ministry of Finance publishes annually this average trading price for the Wealth Tax purposes.

Individuals resident in a member state of the EU or the EEA shall be entitled to apply the specific rules adopted by the Spanish Autonomous Region in which the assets or rights with more value and subject to the tax are located. Investors are advised to consult their tax advisors or lawyers to determine the effects of these rules.

Finally, entities that are not resident in Spain are not subject to this tax.

Temporary Solidarity Tax on Wealth

Without prejudice to the specific provisions set forth in the Double Taxation Treaties entered into by Spain, as from 2022, individual shareholders not resident in Spanish territory for tax purposes pursuant to Article 9 of the PIT Law, and who own assets and rights that can be exercised or have to be met in Spanish territory on December 31 of each year shall be subject to Temporary Solidarity Tax on Wealth. The U.S.-Spain Double Taxation Treaty does not apply to Wealth Taxes.

Taxation under this tax may be levied in accordance with the provisions of Wealth Tax Law (see section above) and Temporary Solidarity Tax on Wealth Law. In this vein, please note that Temporary solidarity Tax on Wealth Law, unlike the Wealth Tax Law, does not set a minimum tax-free allowance of €700,000 applicable to individual shareholders not resident in Spain for tax purposes. Furthermore, taxation will be determined according to a scale with marginal rates ranging from 0.0% to 3.5%.

The Temporary Solidarity Tax on Wealth is incorporated as complementary to the Wealth Tax, levying an additional tax on the assets of individuals whose value, determined in accordance with the rules of the Wealth Tax, exceeds €3,000,000.00 and to the extent that they are not taxed by the Wealth Tax or are taxed for an amount lower than that which would result from taxation under the Temporary Solidarity Tax on Wealth.

The Temporary Solidarity Tax on Wealth is established for an initial period of 2 years. However, the Temporary Solidarity Tax on Wealth Law incorporates a revision clause to evaluate its results at the end of the initially planned period of validity in order to assess whether it should be maintained or removed.

Finally, entities that are not resident in Spain are not subject to this tax.

Inheritance and Gift Tax

Without prejudice to the provisions of Double Taxation Treaties, acquisitions through by inheritance or gift by individuals who are not resident in Spain, irrespective of the residency of the transferor, shall be subject to IGT, when the acquisition involves assets located in Spanish territory or rights that can be exercised or have to be complied with in this territory. The Spanish tax authorities consider that the shares of Spanish companies are assets located in Spain for tax purposes. The U.S.-Spain Double Taxation Treaty does not apply to IGT.

If no treaty for the avoidance of double taxation in relation to IGT applies, applicable rates would range between 0% (full exemption) to 81.6%, depending on relevant factors (such as the specific regulations imposed by each Spanish Autonomous Region, the amount of the wealth of the taxpayer and the degree of kinship with the deceased or donor).

Generally, non-Spanish tax resident individuals are subject to Spanish IGT in accordance with the rules set forth in the state IGT Law. However, if either the deceased or the donee is resident in a EU or EEA Member State, the applicable rules will be those corresponding to the relevant autonomous regions in accordance with the law. As such, prospective investors should consult their tax advisers. Likewise, in, among others, its Judgements of February 19, March 21 and March 22, 2018, the Spanish Supreme Court, based on the European right to the free movement of capital, has declared that the application of the regional rules corresponding to the relevant Autonomous Region according to the law should be extended in some circumstances to deceased heirs or donees who are resident outside of the EU or the EEA. Investors are advised to consult their tax advisers or lawyers.

Companies that are not resident in Spain are not subject to this tax. The income they obtain by gifts is generally taxed as capital gains, pursuant to the NRIT Law previously described, without prejudice to any applicable Double Taxation Treaty.

Non-resident shareholders are advised to consult their tax advisors about the terms in which IGT applies in each case.

Indication as to the issuer assumes responsibility for the withholding of taxes at source

The Company, as the issuer and payer of income that may result from ownership of the New Shares, undertakes to make withholdings on account of taxes in Spain pursuant to prevailing regulations.

Spanish financial transactions tax

The Spanish law which implements the Spanish tax on financial transactions (the “**Spanish FTT**”) was approved on October 7, 2020 (the “**FTT Law**”) and is in force since January 16, 2021.

Spanish FTT charges a 0.2% rate on specific acquisitions of listed shares issued by Spanish companies whose market capitalization exceeds €1 billion (€1,000,000,000) on 1 December of the previous year to the acquisition, regardless of the jurisdiction of residence of the parties involved in the transaction.

The Spanish FTT does not apply to the subscription of New Shares in the Offering since acquisitions in the context of the issuance of shares (primary acquisitions) are exempt from the Spanish FTT. However, please note that, other than with regard to the New Shares acquired pursuant to the Offering, the acquisition of Shares would generally fall within the scope of the Spanish FTT. In this regard, please note that the market capitalization of the Company did not exceed €1 billion (€1,000,000,000) on December 1, 2022. Prospective investors are advised to seek their own professional advice in relation to the Spanish FTT.

U.S. Federal Income Tax Considerations

The following is a description of certain U.S. federal income tax consequences to the U.S. Holders (as defined below) of the receipt, exercise and disposition of Preferential Subscription Rights pursuant to the Offering, as well as the acquisition, ownership and disposition of the New Shares, but it does not purport to be a comprehensive description of all tax considerations that may be relevant to the receipt, exercise and disposition of Preferential Subscription Rights or the acquisition, ownership or disposition of the New Shares. This discussion applies only to U.S. Holders that (i) receive Preferential Subscription Rights pursuant to this Offering, or (ii) acquire New Shares in this Offering, and, in either case, hold them as capital assets. In addition, this discussion does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including alternative minimum tax consequences, the Medicare contribution tax on "net investment income" and tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- dealers or certain electing traders in securities who use a mark-to-market method of tax accounting for their securities;
- persons holding Preferential Subscription Right, outstanding Shares or New Shares as part of a straddle or integrated transaction;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities or arrangements classified as partnerships for U.S. federal income tax purposes;
- tax-exempt entities, individual retirement accounts, "Roth IRAs," or other tax-deferred accounts;
- persons that own or are deemed to own 10% or more of the Company's stock by vote or value; or
- persons holding Preferential Subscription Rights, outstanding Shares or New Shares in connection with a trade or business outside the United States.

The U.S. federal income tax treatment of an entity or arrangement treated as a partnership for U.S. federal income tax purposes and its partners generally will depend on the status of the partners and the partnership's activities. If you are an entity or arrangement treated as a partnership for U.S. federal income tax purposes that owns Preferential Subscription Rights, Shares, or New Shares or a partner in such a partnership, you should consult your tax adviser as to your particular U.S. federal income tax consequences of the receipt, exercise and disposition of Preferential Subscription Rights pursuant to the Offering, as well as acquiring, owning and disposing of the New Shares.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "**Code**"), administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, and the income tax treaty between Spain and the United States (the "**Treaty**"), all as of the date hereof. These laws are subject to change, possibly with retroactive effect.

You are a "U.S. Holder" for the purposes of this discussion if you are, for U.S. federal income tax purposes, a beneficial owner of Preferential Subscription Rights or the New Shares and:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

- a trust if
 - a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust; or
 - such trust has in effect a valid election to be treated as a U.S. person.

This discussion does not address the effects of any state, local or non-U.S. tax laws, or any U.S. federal taxes other than income taxes (such as U.S. federal estate or gift tax consequences). You should consult your tax adviser regarding the application of the U.S. federal tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

U.S. Federal Income Tax Considerations Applicable to the Receipt of Preferential Subscription Rights

This section is subject to further discussion under “—*Passive Foreign Investment Company Rules*” below.

Receipt of Preferential Subscription Rights

Under section 61(a)(3) of the Code, gross income includes “gains derived from dealings in property.” Under section 301 of the Code, “a distribution of property... made by a corporation to its stockholder with respect to its stock” is taxable as gross income to the extent that the distribution is made out of the corporation’s current or accumulated earnings and profits. If at the time of the distribution the corporation does not have current or accumulated earnings and profits, then the amount of the distribution is applied first as a reduction in the stockholder’s basis in its stock; the amount of any distribution in excess of the stockholder’s basis is treated as a capital gain from the sale or exchange of property.

Code section 305(a), however, provides that gross income does not include “the amount of any distribution of the stock of a corporation made by such corporation to its stockholders with respect to its stock.” For purposes of Code section 305, “stock” is defined in Code section 305(d)(1) to include rights to acquire such stock.

The general rule set forth in Code section 305(a) regarding nonrecognition is subject to certain exceptions, including if receipt by a holder of Preferential Subscription Rights is part of a “disproportionate distribution” as set forth in Code section 305(b)(2). A “disproportionate distribution” is a distribution or a series of distributions, including deemed distributions, that has the effect of the receipt of cash or other property by some holders and an increase in the proportionate interest of other holders in our assets or earnings and profits. During the last 36 months, we have not made any distributions to holders of our common stock, which has at all times been our sole outstanding class of stock. As a result, we expect to qualify for the 36-month safe harbor rule set forth in the Treasury Regulations, such that the distribution of Preferential Subscription Rights will be presumed not to result in the receipt of cash or property by some stockholders and an increase in the proportionate interest of other stockholders. Even if the safe harbor rule does not apply, the Company believes that the distribution of Preferential Subscription Rights in this Rights Offering is not likely to constitute an increase in the proportionate interest of some stockholders in the assets or earnings and profits of the Company for purposes of Code section 305(b)(2) based on the fact that all of our stockholders will receive rights in the Rights Offering based upon their respective ownership of our common stock.

Our position regarding the tax-free treatment of the receipt of Preferential Subscription Rights in this Rights Offering is not binding on the IRS or the courts, and there can be no assurance that the IRS or any applicable court would agree. If this position were finally determined to be incorrect, whether on the basis that the issuance of the subscriptions rights is a “disproportionate distribution” or otherwise, the fair market value of the Preferential Subscription Rights would generally be taxable to U.S. Holders of our outstanding Shares as a dividend on the date of the distribution.

The following discussion assumes that the receipt by a U.S. Holder of Preferential Subscription Rights with respect to such U.S. Holder’s common stock pursuant to this Rights Offering is non-taxable for U.S. federal income tax purposes.

Tax Basis in the Preferential Subscription Rights

A U.S. Holder’s tax basis in its Preferential Subscription Rights will depend on the relative fair market value of the Preferential Subscription Rights received by such holder and the Shares owned by such holder at the time the Preferential Subscription Rights are distributed. If either (i) the fair market value of the Preferential Subscription Rights on the date such Preferential Subscription Rights are distributed is equal to at least 15% of the fair market value on such date of the Shares with respect to which the

Preferential Subscription Rights are received or (ii) the holder elects, in its U.S. federal income tax return for the taxable year in which the Preferential Subscription Rights are received, to allocate part of its tax basis in such Shares to the Preferential Subscription Rights, then, except as discussed below under “*Expiration of Preferential Subscription Rights*”. upon exercise of the Preferential Subscription Rights, the holder’s tax basis in the existing Shares will be allocated between the existing Shares and the Preferential Subscription Rights in proportion to their respective fair market values on the date the Preferential Subscription Rights are distributed. If the Preferential Subscription Rights received by a U.S. Holder have a fair market value that is less than 15% of the fair market value of the Shares owned by such holder at the time the Preferential Subscription Rights are distributed, the holder’s tax basis in its Preferential Subscription Rights will be zero unless the holder elects to allocate its adjusted tax basis in the existing Shares owned by such holder in the manner described in the previous sentence. The fair market value of the Preferential Subscription Rights on the date the Preferential Subscription Rights are received will be based on the trading price of the Shares on such date.

Sale or Other Taxable Disposition of Preferential Subscription Rights

This section is subject to further discussion under “—*Passive Foreign Investment Company Rules*” below.

Upon a sale or other taxable disposition of Preferential Subscription Rights, a U.S. Holder will generally recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realized on the sale or other taxable disposition and the U.S. Holder’s adjusted tax basis in the Preferential Subscription Rights, in each case as determined in U.S. dollars. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder’s holding period in the Preferential Subscription Rights exceeds one year. A U.S. Holder’s holding period in the Preferential Subscription Rights will include the holding period in the **existing** Shares with respect to which the Preferential Subscription Rights were distributed. Non-corporate U.S. Holders are subject to tax on long-term capital gain at reduced rates. The deductibility of capital losses is subject to significant limitations.

Spanish taxes on disposition gains are generally not expected to be creditable for U.S. federal income taxes. Spanish taxes that are not creditable may possibly reduce the amount realized, or alternatively, be deductible. These rules are very complex and you should consult your tax adviser regarding your eligibility for an exemption from Spanish taxation on the gain from the disposition of Preferential Subscription Rights and the U.S. federal income tax implications of any Spanish taxes imposed on disposition gains in your particular circumstances.

Expiration of Preferential Subscription Rights

A holder that allows the Preferential Subscription Rights received in the Rights Offering to expire will not recognize any gain or loss, and the tax basis in the common stock owned by such holder with respect to which such Preferential Subscription Rights were distributed will be equal to the tax basis in such common stock immediately before the receipt of the Preferential Subscription Rights in the Rights Offering.

Exercise of Preferential Subscription Rights and Holding Period

A holder will not recognize any gain or loss upon the exercise of the Preferential Subscription Rights received in the Rights Offering. The tax basis in the New Shares acquired through exercise of the Preferential Subscription Rights will equal the sum of the Subscription Price for the New Shares and the holder’s tax basis, if any, allocated to the rights as described above, in each case as determined in U.S. dollars. Generally, the holding period for the New Shares acquired through exercise of the Preferential Subscription Rights will begin on the date the Preferential Subscription Rights are exercised. Holders who exercise Preferential Subscription Rights after disposing of all of the shares of the common stock owned by such holder should consult with their own tax advisor regarding the allocation of tax basis.

U.S. Federal Income Tax Considerations Applicable to the New Shares

Taxation of Distributions

This section is subject to further discussion under “—*Passive Foreign Investment Company Rules*” below.

Distributions received on the New Shares, including the amount of any Spanish taxes withheld, other than certain *pro rata* distributions of ordinary shares to all shareholders, will constitute foreign-source dividend income to the extent paid out of the

Company's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). Because the Company does not maintain calculations of its earnings and profits for U.S. federal income tax purposes, it is expected that distributions generally will be reported to you as dividends. The amount of any dividend paid in euros that you will be required to include in income will equal the U.S. dollar value of the distributed euros, calculated by reference to the exchange rate in effect on the date the payment is received, regardless of whether the payment is converted into U.S. dollars on the date of receipt. If the dividend is converted into U.S. dollars at the spot rate applicable on the date of receipt, you will generally not be required to recognize foreign currency gain or loss in respect of the dividend income. You may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of its receipt. Dividends will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Subject to applicable limitations and requirements, dividends received by certain non-corporate U.S. Holders may be taxable at a preferential rate, provided that (i) the Company is not a passive foreign investment company ("PFIC") (as discussed below), and is not treated as a PFIC with respect to the U.S. Holder, for the taxable year of the Company in which the dividend is paid or the preceding taxable year, and (ii) the Company qualifies for benefits under the Treaty. If you are a non-corporate U.S. Holder you should consult your tax adviser regarding the availability of, and applicable limitations with respect to, the preferential tax rate on dividends.

Non-refundable Spanish taxes withheld from dividends on New Shares at a rate not in excess of any applicable Treaty rate will generally be creditable against your U.S. federal income tax liability, subject to applicable limitations that vary depending upon your circumstances. Spanish taxes withheld in excess of any applicable rate under the Treaty will not be eligible for credit against your U.S. federal income tax liability (see "*Taxation—Spanish Tax Considerations—Direct Taxation on the Ownership and Subsequent Disposition of the New Shares—Shareholders Non-Resident in Spanish Territory*" for a discussion of how to obtain the Treaty rate). Subject to applicable limitations, in lieu of claiming a foreign tax credit, you may elect to deduct foreign taxes, including Spanish taxes, in computing your taxable income. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the relevant taxable year. The rules governing foreign tax credits and deductions, are complex and recently issued final Treasury regulations have imposed additional requirements that must be met for a foreign tax to be creditable, and you should consult your tax adviser regarding the creditability and deductibility of Spanish taxes in your particular circumstances.

Sale or Other Taxable Disposition of New Shares

This section is subject to further discussion under "*—Passive Foreign Investment Company Rules*" below.

You generally will recognize capital gain or loss on a sale or other taxable disposition of New Shares. This gain or loss will be long-term capital gain or loss if at the time of sale or disposition your holding period in the New Shares exceeds one year. The amount of gain or loss will equal to the difference between the amount realized on the sale or disposition and your tax basis in the New Shares (as determined in the manner described above under "*U.S. Federal Income Tax Considerations - Exercise of Preferential Subscription Rights and Holding Period*"), each as determined in U.S. dollars. Any gain or loss will generally be U.S.-source for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

Spanish taxes on disposition gains are generally not expected to be creditable for U.S. federal income taxes. Spanish taxes that are not creditable may possibly reduce the amount realized, or alternatively, be deductible. These rules are very complex and you should consult your tax adviser regarding your eligibility for an exemption from Spanish taxation on the gain from the disposition of New Shares and the U.S. federal income tax implications of any Spanish taxes imposed on disposition gains in your particular circumstances.

Passive Foreign Investment Company Rules

In general, a non-U.S. corporation will be a PFIC for any taxable year in which (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the value of its assets (generally determined on a quarterly average basis) consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-U.S. corporation that directly or indirectly owns at least 25% by value of the equity interests of another corporation or partnership is treated as if it held its proportionate share of the assets of the other corporation or partnership and received directly its proportionate share of the income of the other corporation or partnership. Passive income generally includes interest, investment

income and gains from commodities transactions (other than certain active business commodities gains). Goodwill is treated as an active asset under the PFIC rules to the extent attributable to activities that produce active income. Cash is a passive asset.

Based on the expected composition of the Company's income and assets, the expected value of its assets and the manner in which the Company operates its business, the Company does not expect to be a PFIC for its current taxable year or in the foreseeable future. However, a company's PFIC status is an annual factual determination that can be made only after the end of each taxable year and the Company's PFIC status for any taxable year will depend on the composition of its income and assets and the value of its assets from time to time (which may be determined, in part, by reference to the market price of its shares of common stock, which could be volatile) and the manner in which it operates its projects. Furthermore, the Company owns, and may continue to own, minority stakes in entities or joint ventures that own renewable energy projects. Any entities or joint ventures in which the Company owns a less than 25% minority stake will generally be treated as a passive asset for purposes of the PFIC rules. Accordingly, there can be no assurance that the Company will not be a PFIC for the current or any future taxable year. The Company does not intend to conduct any assessment of its PFIC status for any taxable year.

If the Company is a PFIC for any taxable year and any entity in which it owns or is deemed to own equity interests is also a PFIC (any such entity, a "**Lower-tier PFIC**"), you will be deemed to own a proportionate amount (by value) of the shares of each such Lower-tier PFIC and will be subject to U.S. federal income tax according to the rules described in the next paragraph on (i) certain distributions by a Lower-tier PFIC, and (ii) dispositions of shares of Lower-tier PFICs, in each case as if you held those shares directly, even though you did not receive any proceeds of those distributions or dispositions.

Generally, if the Company is a PFIC for any taxable year during your holding period of the New Shares (or under proposed Treasury regulations that have a retroactive effective date, the Rights) and you have not made a mark-to-market election (as described below), gain recognized upon a disposition (including, under certain circumstances, a pledge) of the New Shares or the Rights by you will be allocated ratably over your holding period for the New Shares or Rights (as applicable). The amount allocated to the taxable year of disposition and to years before the Company became a PFIC will be taxed as ordinary income. The amount allocated to each other taxable year will be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and an interest charge will be imposed on the resulting tax liability for each taxable year. Further, to the extent that the amount of the distributions you receive on your New Shares in a taxable year exceeds 125% of the average of the annual distributions on such New Shares received during the preceding three taxable years or your holding period, whichever is shorter, that excess will be subject to taxation in the same manner. If the Company is a PFIC for any year during your holding period of the New Shares or the Rights, the Company will generally continue to be treated as a PFIC with respect to you for all succeeding years during which you own the New Shares or the Rights, even if the Company ceases to meet the threshold requirements for PFIC status.

If the Company is a PFIC in a taxable year and the New Shares or Rights are treated as "marketable stock" in such year, a U.S. holder may make a mark-to-market election with respect to all marketable stock of the Company held or subsequently acquired by such U.S. holder (under current law, the Rights cannot qualify as "marketable stock"). If the U.S. holder makes this election, the holder will not be subject to the PFIC rules described above. Instead, in general, the holder will include as ordinary income each year the excess, if any, of the fair market value of the marketable stock at the end of the taxable year over the holder's adjusted basis in the marketable stock. The holder will also be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted basis of the marketable stock over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. holder's basis in the marketable stock will be adjusted to reflect any such income or loss amounts. Any gain that the holder recognizes on the sale or other disposition of the marketable stock would be ordinary income and any loss would be an ordinary loss to the extent of the net amount of previously included income as a result of the mark-to-market election and, thereafter, a capital loss. However, a mark-to-market election cannot be made for equity interests in any Lower-tier PFIC. The interaction of the mark-to-market rules and the rules governing Lower-tier PFICs is complex and uncertain, and U.S. Holders should therefore consult their own tax advisers regarding the availability of the mark-to-market election.

Certain elections may be available that would result in alternative treatments (such as purging elections) of the New Shares. The Company currently does not intend to provide information necessary for Shareholders to make a qualified electing fund election

to be taxed currently on their share of the Company's undistributed income. You should consult your tax adviser to determine the availability of, and consequences of making, these elections in your particular circumstances.

In addition, if the Company is a PFIC for the taxable year in which it pays a dividend or for the prior taxable year, the preferential tax rate discussed above with respect to dividends paid to certain non-corporate U.S. Holders will not apply.

If you own New Shares during any year in which the Company is a PFIC, you generally will be required to file annual reports together with your U.S. federal income tax returns, subject to certain exceptions.

You should consult your tax adviser regarding whether the Company is a PFIC for any taxable year and the potential application of the PFIC rules to your ownership of New Shares.

Backup Withholding and Information Reporting

Payments of dividends in respect of the New Shares and sales proceeds of the Preferential Subscription Rights or New Shares that are made within the United States or through U.S. or certain U.S.-related financial intermediaries will generally be subject to information reporting and backup withholding, unless (i) you are an exempt recipient or (ii) in the case of backup withholding, you provide a correct taxpayer identification number and certify that you are not subject to backup withholding. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your U.S. federal income tax liability, provided that the required information is timely furnished to the Internal Revenue Service.

Certain U.S. Holders who are individuals (or certain specified entities) may be required to report information relating to their ownership of New Shares, or non-U.S. accounts through which New Shares are held. You should consult your tax adviser regarding your reporting obligations with respect to the New Shares.

Transfer Reporting Requirements

A U.S. Holder of New Shares may be required to file Form 926 (or similar form) with the IRS in certain circumstances. A U.S. Holder who fails to file any such required form could be required to pay a penalty equal to 10% of the gross amount paid for the New Shares (subject to a maximum penalty of U.S.\$100,000, except in cases of intentional disregard). U.S. Holders should consult their tax advisors with respect to this or any other reporting requirement that may apply to an acquisition of the New Shares.

PLAN OF DISTRIBUTION

Underwriting Agreement

On April 10, 2023, the Company and the Joint Global Coordinators entered into an underwriting agreement governed by the laws of the Kingdom of Spain (*Derecho común español*) with respect to the Offering (the “**Underwriting Agreement**”).

Subject to certain conditions, each Joint Global Coordinator, acting severally (*mancomunadamente*) but not jointly nor jointly and severally, has agreed to use reasonable efforts to procure subscribers for the New Shares, net of Committed Shares (that is, for the Underwritten New Shares which, for the avoidance of doubt exclude the Committed Shares), which represent approximately 55.27% of the Offering, that are not subscribed for during the Preferential Subscription Period or the Additional Allocation Period (i.e. the Rump Shares), and, subject to the terms of the Underwriting Agreement, to subscribe for the maximum number of Underwritten New Shares set forth opposite its name at the table below if any Underwritten New Shares remain unsold after the Discretionary Allocation Period. The Joint Global Coordinators may not procure sub-underwriters for the Rump Shares except with the prior written consent of the Company.

Without prejudice to the foregoing, if any of the Joint Global Coordinators shall fail at or before the Pre-funding Time (i) to procure subscribers or, failing which, subscribe for the Underwritten New Shares which it is obliged to purchase under the Underwriting Agreement and (ii) to pay the aggregate Subscription Price for any Underwritten New Shares pursuant to its underwriting commitment (as set forth in the table below) (the “**Defaulted Shares**”), the other Joint Global Coordinators will have the right within 24 hours thereafter (or otherwise as may be agreed between the Joint Global Coordinators and the Company), but not the obligation, to make arrangements prior to the Pre-funding Time, for one or more of the non-defaulting Joint Global Coordinators, to purchase all, but not less than all, of the Defaulted Shares in such amounts as may be agreed upon and in accordance with the terms set forth in the Underwriting Agreement.

In the event the non-defaulting Joint Global Coordinators do not complete such arrangements within such period, the non-defaulting Joint Global Coordinators shall subscribe all of the Defaulted Shares in a maximum aggregate amount equal to 20% of the total underwriting commitment (in each case in the proportion that such non-defaulting Joint Global Coordinator’s underwriting commitment bears to the total underwriting commitments of all non-defaulting Joint Global Coordinators). To the extent that the number of Defaulted Shares exceeds such maximum aggregate amount equal to 20% of the total underwriting commitment, this will be considered a significant factor which requires the publication of a supplement (consequently, holders of Preferential Subscription Rights who exercise their Preferential Subscription Rights or request for additional New Shares, as well as investors who request for subscription of New Shares in the Discretionary Allocation Period, will have the right, exercisable within two business days after publication of such supplement, to withdraw their subscriptions or requests, as applicable).

In addition, the Company will declare the subscription incomplete and the share capital of the Company as a result of the Offering will be increased only in the amount of the total aggregate subscriptions made during the Preferential Subscription Period, the Additional Subscription Period and the Discretionary Allocation Period, together with any Underwritten New Shares that remain unsold after such Discretionary Allocation Period (in the case of Defaulted Shares, only in a maximum aggregate amount equal to 20% of the total underwriting commitments) that will, subject to the terms of the Underwriting Agreement (as defined herein), be acquired by the Joint Global Coordinators at the Subscription Price.

If all of the New Shares offered are subscribed for by Eligible Shareholders or investors in the Preferential Subscription Period, the Additional Allocation Period and the Discretionary Allocation Period, as the case may be, the Joint Global Coordinators will not be required to subscribe for any New Shares.

Joint Global Coordinators	Maximum Number of New Shares pursuant to the Underwriting Agreement	% of total Underwritten New Shares
Barclays Bank Ireland PLC	3,372,448	25.00%
Banco Bilbao Vizcaya Argentaria, S.A.	2,529,338	18.75%
Banco Santander, S.A.	2,529,338	18.75%
HSBC Continental Europe	2,529,338	18.75%
Société Générale	2,529,338	18.75%
Total	13,489,800	100%

The Joint Global Coordinators may jointly terminate the Underwriting Agreement, acting in good faith, and after consultation with the Company to the extent reasonably practicable under the circumstances, if at any time between the date of the Underwriting Agreement and the time of granting of the Second Public Deed (i) there has been a breach by the Company of any of the representations or warranties contained in the Underwriting Agreement, where the facts and circumstances relating to such breach (in the good faith opinion of the Joint Global Coordinators, acting unanimously) results in the occurrence of a material adverse change or is material to the Offering; (ii) a material breach by the Company of any of the undertakings contained in the Underwriting Agreement has occurred; (iii) the CNMV or any other relevant authority suspends or revokes any necessary approval for the capital increase or the Offering; or (iv) the occurrence (in the good faith and opinion of the Joint Global Coordinators, acting unanimously) of an event of *force majeure*.

For such purposes, an event of *force majeure* includes the occurrence of (i) a material adverse change, (ii) any material adverse change in the financial markets in the United States, the United Kingdom, Spain, the European Union or in the international financial markets, the effect of which is making impracticable or inadvisable to market the New Shares or to enforce contracts for the sale of the New Shares; (iii) a general suspension in the trading of securities declared by the competent authorities on the New York Stock Exchange, the London Stock Exchange, or the Spanish Stock Exchanges; (iv) a suspension of the trading of Company's shares on the Spanish Stock Exchanges either (a) lasting more than forty eight consecutive hours, if taking place prior to the beginning of the Preferential Subscription Period, (b) lasting more than twenty four consecutive hours, if taking place within the first twelve calendar days of the Preferential Subscription Period, or (c) lasting more than six consecutive hours when the market would have been otherwise opened, if taking place from the second-to-last calendar day of the Preferential Subscription Period to May 4, 2023; (v) an outbreak or aggravation of hostilities or any similar conflict or a large-scale terrorist attack or a declaration of war or national emergency, where such event has a material adverse effect on the indices of the New York Stock Exchange, the London Stock Exchange or the Spanish Stock Exchanges; or (vi) a general suspension declared by the competent authorities, or a material disruption of banking activities or securities clearing and settlement services, in the United States, the United Kingdom or Spain.

In addition, there are certain customary conditions precedent that must be complied with and which must be met no later than the Pre-Funding Time on the Execution Date, the date on which the Second Public Deed is expected to be granted. The Underwriting Agreement shall be terminated if any such conditions are not satisfied or waived, or any of the specified circumstances arises.

The termination of the Underwriting Agreement due to any of the circumstances referred to above, or if the underwriting and pre-funding obligations of the Joint Global Coordinators under the Underwriting Agreement do not come into force as a result of the failure to fulfil or waive any conditions precedent, will be considered a significant factor which requires the publication of a supplement. In such event, holders of Preferential Subscription Rights that have exercised their Preferential Subscription Rights during the Preferential Subscription Period or requested additional New Shares to be allocated during the Additional Allocation Period, as well as investors of New Shares allocated during the Discretionary Allocation Period, will have the right, exercisable within two working days after publication of such supplement, to withdraw their subscriptions or requests, as applicable, if such significant factor arises before the closing of the offer (i.e. when the Company declares the share capital increase executed and grants the Second Public Deed before a Spanish public notary, which is expected to take place on the Execution Date).

The Company has given certain representations, warranties and indemnities to the Joint Global Coordinators in connection with the Offering.

As stated in "Use of Proceeds" above, in consideration of the Joint Global Coordinators entering into the Underwriting Agreement and providing the services agreed thereunder, the Company has agreed to pay to them certain commissions. The Company has also agreed to reimburse the Joint Global Coordinators certain expenses incurred in connection with the Offering. The Company estimates that the total commissions and expenses related to the Offering (assuming placement of all the New Shares and payment of the discretionary commission) will be approximately up to €7.5 million. Therefore the Company expects to receive net proceeds from the Offering of approximately €142.5 million.

Any defaulting Joint Global Coordinator will not be entitled to collect any underwriting and selling commissions under the Underwriting Agreement and the commissions to which it would have otherwise been entitled to under the Underwriting Agreement in the absence of any such default will be distributed among the Joint Global Coordinators, that have complied with their obligations (in each case in the proportion that each such Joint Global Coordinator's underwriting commitment bears to the total underwriting

commitments of all non-defaulting Joint Global Coordinator) to the extent that those fees result from the obligations of the defaulting Joint Global Coordinator consequently assumed by the non-defaulting Joint Global Coordinators.

Relationships between the Company and the Joint Global Coordinators

From time to time certain of the Joint Global Coordinators and their respective affiliates or branches may have provided the Company and/or its shareholders or their affiliates with investment banking, commercial banking (including the granting of loans) and other advisory services for which they would have received customary fees or commissions. They may provide the Company and/or its shareholders, their affiliates and/or companies directly or indirectly involved in the Offering with similar or other services, and engage in similar activities, in the future. In connection with the Offering, each Joint Global Coordinator and any affiliate or branch, acting as an investor for its own account, may take up New Shares and/or the Preferential Subscription Rights and, in that capacity, may retain, purchase or sell such New Shares and/or the Preferential Subscription Rights (or related investments), for its own account and may offer or sell such New Shares and/or the Preferential Subscription Rights (or other investments) otherwise than in connection with the Offering. In addition, certain of the Joint Global Coordinators or their respective affiliates may enter into financing agreements (including swaps, warrants or contracts for difference) with investors in connection with which such Joint Global Coordinators (or their respective affiliates) may, from time to time, acquire, hold or dispose of the New Shares and/or the Preferential Subscription Rights. In the ordinary course of their business activities, the Joint Global Coordinators and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and/or instruments of the Company, its shareholders or their affiliates. Neither the Joint Global Coordinators nor their respective affiliates intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

In the event that the Joint Global Coordinators subscribe for Rump Shares pursuant to the Underwriting Agreement, the Joint Global Coordinators may co-ordinate disposals of such shares in accordance with applicable law and regulation. Except as required by applicable law or regulation, the Joint Global Coordinators and their respective affiliates do not propose to make any public disclosure in relation to such transactions.

Lock-up period

The Company has agreed that, without the prior written consent of the majority Joint Global Coordinators, it will not and will procure that none of its subsidiaries will, during the period commencing on the date on which the Underwriting Agreement is signed and ending 180 days thereafter (the "**Lock-Up Termination Date**"), either directly or indirectly, issue, offer, pledge, sell, contract to issue or sell, issue or sell any option or contract to purchase, purchase any option or contract to issue or sell, grant any option, right, warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares or enter into any other transaction with the same economic effects or agree to do or announce or otherwise publicise the intention to do any of the foregoing.

These restrictions do not apply to (i) the issuance of the preferential subscription rights and the issuance of the New Shares in connection with the Offering; (ii) the issue of Shares pursuant to any options, warrants or other rights existing at the date thereof, (iii) the issue of Shares pursuant to any disclosed employee share schemes existing at the date thereof, (iv) transfers of Shares between entities belonging to the same group (within the meaning of Article 42 of the Spanish Commercial Code) as the Company, provided that any such subscriber or transferee shall agree to be bound by the same restrictions for the remainder of such 180 day period, or (v) sales by the Company of Shares in compliance with CNMV Circular 1/2017, on liquidity contracts.

Commitments from shareholders

The Company has received from the shareholders indicated below the irrevocable commitment to exercise during the Preferential Subscription Period their Preferential Subscription Rights in the proportions indicated below. Except for the information included in the sections below, the Company is not aware of the intentions of any other shareholder or investor in relation to the Offering. Consequently, there are no commitments in relation to the acquisition of New Shares during the Additional Allocation Period nor the Discretionary Allocation Period.

Irrevocable commitments from the Company's main shareholder

Mr. José Lladó Fernández-Urrutia, who controls 37.20% of the share capital of the Company, out of which a 0.107% is controlled directly and a 37.088% is controlled indirectly through Araltec, S.L. and Aragonesas Promoción de Obras y Construcciones, S.L. (see "*Principal Shareholders*"), has irrevocably committed to exercise the Preferential Subscription Rights corresponding to all the Shares he holds through (i) Araltec Corporación, S.L., which represent approximately 33.31% of the Offering, and (ii) Aragonesas Promoción de Obras y Construcciones, S.L., which represent approximately 5.31% of the Offering, and to subscribe and pay for the corresponding New Shares (the "**Main Shareholder**" and the "**Committed Shares from the Main Shareholder**", respectively). Mr. José Lladó Fernández-Urrutia will not exercise the Preferential Subscription Rights associated to the Shares he directly holds, which represent approximately 0.112% of the Offering. The percentage that the Committed Shares from the Main Shareholder represent over the Offering differs from the percentage of share capital held by the Main Shareholder due to the fact that the Offering excludes the Company's treasury shares. See "*Principal Shareholder—Dilution as a result of the Offering*"

Irrevocable commitments from other shareholders

Cobas Asset Management, SGIC, S.A (the "**Committed Principal Entity**" and together with the Main Shareholder, the "**Committed Persons**") has irrevocably committed to exercise the Preferential Subscription Rights corresponding to 3,283,101 Shares (the "**Committed Shares from Principal Entity**" and together with the Committed Shares from the Main Shareholder, the "**Committed Shares**") held through the entities it manages, which represent approximately 6.11% of the Offering, and to subscribe and pay for the corresponding New Shares. Consequently, the Committed Principal Entity will not have its equity interest diluted, assuming all of the New Shares are subscribed for in full by other Eligible Shareholders or third parties.

The subscription of the New Shares by the Committed Persons will take place within the first 10 calendar days of the Preferential Subscription Period. The Company will inform the market about such subscriptions through the corresponding regulatory information notice (*comunicación de otra información relevante*), upon confirmation from the Committed Persons.

If upon termination of the Preferential Subscription Period, there is a failure by the Committed Persons to subscribe and pay in full for the Committed Shares, in an amount representing an aggregate of 3% or more of the New Shares, this will be considered a significant factor which requires the publication of a supplement, on the terms indicated in this Prospectus.

Intention to exercise the Preferential Subscription Rights from the Directors and members of the Senior Management

Certain Directors and members of the Senior Management holding shares in the Company have notified the Company of their intention to exercise their Preferential Subscription Rights, and to subscribe and pay for the corresponding New Shares. However, as of the date of this Prospectus, unlike the Committed Persons, such shareholders have not entered into any legally binding agreement and therefore may finally decide not to exercise their Preferential Subscription Rights, in part or in full.

Intentions of other shareholders

Azvalor Asset Management, SGIC, S.A., has informed the Company about its intention to avoid having the aggregate equity interest held through the entities it manages diluted. However, as of the date of this Prospectus, unlike the Committed Persons, Azvalor Asset Management, SGIC, S.A. has not entered into any legally binding agreement.

TRANSFER AND SELLING RESTRICTIONS

Restrictions on the exercise of Preferential Subscription Rights and offers, resales, pledges or other transfers of the New Shares or the Preferential Subscription Rights

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to exercising (as it relates to the Preferential Subscription Rights) or making any offer, resale, pledge or other transfer of the New Shares or the Preferential Subscription Rights.

United States

The New Shares and the Preferential Subscription Rights have not been and will not be registered under the Securities Act or with any securities regulatory authority or any state or other jurisdiction in the United States, and may not be exercised (as it relates to the Preferential Subscription Rights), offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The Preferential Subscription Rights and the New Shares may be offered, sold, exercised (as it relates to the Preferential Subscription Rights) or otherwise transferred (a) in the United States only to QIBs, in reliance on an exemption from, or in transactions not subject to, the registration requirements of the Securities Act and (b) outside the United States only in “offshore transactions” as defined in, and in accordance with, Regulations S. Any person in the United States wishing to exercise Preferential Subscription Rights to subscribe for New Shares must sign and deliver to the Company an investment letter (in the form separately provided by the Company) (the “**QIB Investment Letter**”) addressed to the Company and the Joint Global Coordinators to the effect that such person satisfies certain requirements. Purchasers of New Shares during the Discretionary Allocation Period in the United States will not be required to provide a QIB Investment Letter. Transfers of the New Shares or the Preferential Subscription Rights will be restricted and each purchaser will be deemed to have made acknowledgements, representations and agreements, as described below.

Each prospective investor exercising Preferential Subscription Rights in the United States will be required to have signed and delivered an investment letter, in the form of a QIB Investment Letter, as described below under “*Special considerations for U.S. shareholders regarding the exercise of Preferential Subscription Rights*” containing among other things, representations and undertakings substantially similar to the following. Each prospective investor within the United States purchasing New Shares in the Discretionary Allocation Period will do so in reliance on Rule 144A and will be deemed to have represented and agreed as follows (terms used herein that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

1. The purchaser is a QIB.
2. The purchaser understands and acknowledges, and each potential beneficial owner of the New Shares has been advised, that the New Shares have not been, nor will they be, registered under the Securities Act, that sellers of the New Shares may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A thereunder, and that the New Shares may not be offered or sold, directly or indirectly, in the United States, other than in accordance with paragraph 5 below.
3. The purchaser is subscribing for or purchasing the New Shares, (i) for its own account, or (ii) for the account of one or more other QIBs for which it is acting as duly authorized fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgments, representations and agreements herein with respect to each such account (in which case it hereby makes such acknowledgments, representations and agreements on behalf of such QIBs as well), in each case for investment and not with a view to any resale or distribution of any such New Shares.
4. The purchaser (and each other QIB, if any, for whose account the purchaser is subscribing for or purchasing the New Shares), in the normal course of business, invests in or purchases securities similar to the New Shares and has the ability to bear the economic risk of its investment in the New Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to its investment in the New Shares, and is able to sustain a complete loss of its investment in the New Shares.

5. The purchaser understands and agrees that offers and sales of the New Shares are being made in the United States only to QIBs in transactions not involving a public offering or which are exempt from the registration requirements of the Securities Act, and that if in the future it or any such other QIB for which it is acting, as described in paragraph 3 above, or any other fiduciary or agent representing such investor decides to offer, sell, deliver, mortgage or otherwise transfer or dispose any New Shares, it or any such other QIB and any such fiduciary or agent will do so only (i) to the Company, (ii) pursuant to an effective registration statement under the Securities Act, (iii) inside the United States to a QIB in a transaction meeting the requirements of Rule 144A, (iv) outside the United States in an “offshore transaction” pursuant to Rule 904 of Regulation S under the Securities Act (and not in a pre-arranged transaction resulting in the resale of such New Shares into the United States), (v) in accordance with Rule 144 under the Securities Act (vi) pursuant to another available exemption, if any, from registration under the Securities Act or (vi) in another transaction not requiring registration under the Securities Act, and, in each case, in accordance with any applicable securities laws of any state or territory of the United States and of any other jurisdiction, including any applicable restrictions on foreign investment. The purchaser understands that no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for the resale of the New Shares.
6. The purchaser understands that (i) the New Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act and (ii) for so long as the New Shares are “restricted securities” within the meaning of the U.S. federal securities laws, no such New Shares may be deposited into any American depositary receipt facility established or maintained by a depositary bank, other than a restricted depositary receipt facility, and that such New Shares will not settle or trade through the facilities of DTC or any other U.S. clearing system.
7. The purchaser has received a copy of this Prospectus and has had access to such financial and other information concerning the Company as it deems necessary in connection with making its own investment decision to purchase New Shares. The purchaser acknowledges that neither the Company nor any of its representatives has made any representation to it with respect to the Company or the allocation, offering or sale of any New Shares other than as set forth in this Prospectus which has been delivered or made available to it and upon which it is solely relying in making its investment decision with respect to the New Shares. The purchaser also acknowledges that it has made its own assessment regarding the U.S. federal tax consequences of an investment in the New Shares. The purchaser has held and will hold any non-public offering materials it receives directly or indirectly from the Company in confidence, and it understands that any such information received by it is solely for it and not to be redistributed or duplicated by it. The purchaser acknowledges that it has read and agreed to the matters stated in this section.
8. The purchaser understands that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Joint Global Coordinators and their affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring the New Shares for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
9. The Company shall not be required to recognize any offer, sale, pledge or other transfer of the New Shares made other than in compliance with the above-stated restrictions.

In addition, until the end of the 40th calendar day after the commencement of the Offering, an offer or sale of the New Shares within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from registration under the Securities Act.

In addition, the Joint Global Coordinators may arrange for Rump Shares to be offered and sold within the United States only to persons they reasonably believe are QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Purchasers of New Shares during the Discretionary Allocation Period in the United States, will not be required to provide a QIB Investment Letter.

Prospective investors are hereby notified that the sellers of New Shares may be relying on the exemption from the registration provisions of Section 5 of the Securities Act provided by Rule 144A.

By exercising the Preferential Subscription Rights or purchasing New Shares in the Discretionary Allocation Period, prospective investors will be deemed to have made the acknowledgments, representations, warranties and agreements set out under, and that they otherwise comply with the restrictions described herein.

The information contained in this Prospectus has been provided by the Company. Distribution of this Prospectus to any person other than the offeree specified by the Company and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized, and any disclosure of its contents, without the Company's prior written consent, is prohibited. This document is not a prospectus within the meaning of Section 10 of the Securities Act.

None of the Company or the Joint Global Coordinators accept any legal responsibility for any violation by any person, whether or not a prospective investor in the New Shares, of any of the foregoing restrictions.

Special considerations for U.S. shareholders regarding the exercise of Preferential Subscription Rights

The terms and conditions and procedures applicable to holders of Shares of the Company regarding the exercise of Preferential Subscription Rights in the United States are described above (under “—Restrictions on the exercise of Preferential Subscription Rights and offers, resales, pledges or other transfers of the New Shares or the Preferential Subscription Rights”) and below only insofar as they differ from those that apply generally in the Offering. To the extent that the generally applicable terms and conditions and procedures described elsewhere in this Prospectus, in particular under the caption “*The Offering*,” are not inconsistent with or do not differ from the information set forth in this section, such terms and conditions will also apply to holders in the United States.

Preferential Subscription Rights may be exercised in the United States only by QIBs through the depository bank or clearing system participant through which such Preferential Subscription Rights are held in accordance with procedures established by such depository bank or clearing system participant. Such procedures will require that each QIB who retains investment discretion as to whether to exercise its Preferential Subscription Rights has returned both to its depository bank or clearing system participant and to the Company and the Joint Global Coordinators, a duly completed and executed QIB Investment Letter certifying, among other things, that such qualified institutional buyer is a “qualified institutional buyer” within the meaning of Rule 144A of the Securities Act and agrees to comply with the resale restrictions described above under “—Restrictions on the exercise of Preferential Subscription Rights and offers, resales, pledges or other transfers of the New Shares or the Preferential Subscription Rights”. QIB Investment Letters must be received by the Company before the end of the Preferential Subscription Period. Requests to obtain a copy of the form of QIB Investment Letter may be directed to the Company at att_acc@tecnicasreunidas.es. Qualifying holders who may wish to exercise Preferential Subscription Rights should consider that they may not be able to do so during usual U.S. business hours, and should consult their depository banks or clearing system participants to determine the effective deadline for their exercise of Preferential Subscription Rights.

Spain

The Offering is being conducted in Spain as a public offering in compliance with the requirements set forth in the Prospectus Regulation, the Securities Market Act, as amended from time to time, and Royal Decree 1310/2005, of November 4, as amended from time to time. This Prospectus in respect of this Offering, has been filed and registered by the Company with the CNMV and, accordingly, a public offering of the Preferential Subscription Rights and the New Shares will be conducted in Spain.

EEA

In relation to each member state of the EEA (each, a “**Relevant State**”) other than Spain, each Joint Global Coordinator has severally represented, warranted and agreed that it has not made and will not make an offer to the public of the New Shares and the Preferential Subscription Rights in that Relevant State, except that it may make an offer to the public in that Relevant State of any of the New Shares or Preferential Subscription Rights at any time under the following exemptions under the Prospectus Regulation:

- (i) an offer of securities addressed solely to qualified investors as defined in the Prospectus Regulation;
- (ii) an offer of securities addressed to fewer than 150 natural or legal persons per Relevant State, other than qualified investors; or

(iii) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of New Shares or Preferential Subscription Rights shall result in a requirement for the Company or any Joint Global Coordinator to publish a prospectus pursuant to Article 3 of the Prospectus Regulation.

Each person in a Relevant State who receives any communication in respect of, or who acquires any New Shares or the Preferential Subscription Rights under, the offers contemplated in the Prospectus will be deemed to have represented, warranted and agreed to and with each Joint Global Coordinator and the Company that:

(i) it is a qualified investor within the meaning of the Prospectus Regulation; and

(ii) in the case of any New Shares or the Preferential Subscription Rights acquired by it as a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, (i) the New Shares and the Preferential Subscription Rights acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant State other than qualified investors, as that term is defined in the Prospectus Regulation, or in circumstances in which the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (ii) where New Shares or the Preferential Subscription Rights have been acquired by it on behalf of persons in any Relevant State other than qualified investors, the offer of those New Shares or the Preferential Subscription Rights to it is not treated under the Prospectus Regulation as having been made to such persons.

The Joint Global Coordinators and the Company and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this selling restriction, the expression an “offer to the public” in relation to any securities in any Relevant State means a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe for those securities. This definition also applies to the placing of securities through financial intermediaries.

United Kingdom

This Prospectus is only being communicated to and is only directed at persons outside the United Kingdom and in the United Kingdom (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), (ii) who are high net worth entities falling within Article 49(2)(a) to (d) of the Order or (iii) to whom it may otherwise be lawful to distribute it (all such persons together being referred to as “relevant persons”). This Prospectus must not be acted on or relied on by any person who is not a relevant person. The New Shares and the Preferential Subscription Rights are only available to, and any investment or investment activity to which this Prospectus relates will only be available to and will only be engaged in with, relevant persons.

No Preferential Subscription Rights or New Shares have been offered or will be offered to the public in the United Kingdom prior to the publication of a prospectus in relation to the Preferential Subscription Rights or New Shares which has been approved by the Financial Conduct Authority, except that the Preferential Subscription Rights or New Shares may be offered to the public in the United Kingdom at any time:

(i) to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation); or

(iii) in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Preferential Subscription Rights or New Shares shall require the Company or any Joint Global Coordinator to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public of Preferential Subscription Rights or New Shares” in relation to any Preferential Subscription Rights or New Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Preferential Subscription Rights or New Shares to be

offered so as to enable an investor to decide to purchase or subscribe for Preferential Subscription Rights or New Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

In addition, such Joint Global Coordinator or any person acting on its behalf:

- (i) has only communicated or caused to be communicated and will only communicate or cause to be communicated in the United Kingdom any invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) received by it in connection with the issue or sale of the Preferential Subscription Rights or the New Shares in circumstances in which Section 21(1) of FSMA does not apply to the Company; and
- (ii) has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Preferential Subscription Rights or the New Shares in, from or otherwise involving the United Kingdom.

Canada

The Preferential Subscription Rights may be exercised, and the New Shares may be subscribed, by investors in Canada so exercising or subscribing as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are also permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any sale or resale of the Preferential Subscription Rights or New Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Any person in Canada wishing to exercise Preferential Subscription Rights to subscribe for New Shares must execute and deliver to the Company an investment letter (in the form of Canadian investment letter separately provided by the Company) addressed to the Company and the Joint Global Coordinators to the effect that such person is an accredited investor and permitted client and satisfies certain other requirements. Purchasers of New Shares during the Discretionary Allocation Period in Canada will not be required to provide an investment letter. **The requirement to deliver a Canadian investment letter does not apply to an investment manager outside Canada that has full discretion to trade securities for the account of a client in Canada.**

Securities legislation in certain provinces or territories of Canada may provide a subscriber or purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the subscriber or purchaser within the time limit prescribed by the securities legislation of the subscriber or purchaser's province or territory. The subscriber or purchaser should refer to any applicable provisions of the securities legislation of the subscriber's or purchaser's province or territory for particulars of these rights or should consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (“NI 33-105”), the Joint Global Coordinators are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the international private placement of the Rump Shares during the Discretionary Allocation Period.

Japan

The New Shares and the Preferential Subscription Rights offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Act**”). Accordingly, no Shares and no Preferential Subscription Rights will be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

In respect of the solicitation relating to the Preferential Subscription Rights in Japan, no securities registration statement under Article 4, Paragraph 1 of the Financial Instruments and Exchange Act has been filed, because such solicitation constitutes a solicitation only for QIIs, as defined in Article 23-13, Paragraph 1 of the Financial Instruments and Exchange Act.

Any resident in Japan wishing to exercise Preferential Subscription Rights to subscribe for New Shares will be deemed to have represented and agreed, among others, (i) it is a qualified institutional investor (the “QII”) as defined in the Article 2, Paragraph 3, Item 1 of the Financial Instruments and Exchange Act, (ii) the Preferential Subscription Rights may not be transferred in Japan to any other person, unless such person is a QII and (iii) the New Shares issued as a result of exercising the Preferential Subscription Rights, which only QIIs can exercise, may not be transferred in Japan to any other person, unless such person is a QII.

Australia

The Company is not registered as a foreign company in Australia. This Prospectus is not a ‘prospectus’ or ‘disclosure document’ under Chapter 6D of the Corporations Act 2001 of Australia (the “**Corporations Act**”) or a product disclosure statement under Part 7.9 of the Corporations Act. The provision of this Prospectus in the Commonwealth of Australia, any of its states, territories or possessions or any political subdivision thereof, or to any person in Australia, does not constitute an offer of New Shares or Preferential Subscription Rights in Australia or to any person in Australia or an invitation in Australia or to any person in Australia to apply for New Shares or Preferential Subscription Rights, and no action has been, or will be, taken to authorise or cause the extension of such offer or invitation, or the provision of the Prospectus (whether in definitive or draft form) or any other such document, in Australia or to any person in Australia. Any such offer or invitation will only be extended to a person in Australia if:

1. that person is a “wholesale client” for the purposes of section 761G of the Corporations Act, and the offer or invitation falls within the exemption for offers to sophisticated investors or professional investors for the purposes of sections 708(8) or 708(11) of the Corporations Act respectively or the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or Chapter 7.9 of the Corporations Act 2001 of Australia, in each case a “wholesale investor”;
2. such action does not require any document to be lodged with the Australian Securities Exchange or the Australian Securities and Investments Commission (“**ASIC**”); and
3. it is not made to a person who is a “retail client” (within the meaning of section 761G of the Corporations Act),

and the offer or invitation and all conduct in connection with it otherwise complies with all applicable laws and directives.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) MiFID II (as defined herein); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Preferential Subscription Rights and the New Shares subject of this Offering (the “**Securities**”) have been subject to a product approval process, which has determined that such Securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**EU Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Securities may decline and investors could lose all or part of their investment; the Securities offer no guaranteed income and no capital protection; and an investment in the Securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Global Coordinators will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Securities.

Each distributor is responsible for undertaking its own target market assessment in respect of the Securities and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Spanish company, and substantially all of its and the Group's assets are located in jurisdictions outside the United States. In addition, the vast majority of its Directors and executive officers reside or are located outside the United States.

As a result, investors may not be able to effect service of process upon the Company or these persons within the United States or to enforce U.S. court judgments obtained against the Company or these persons in jurisdictions outside the United States, including actions under the civil liability provisions of U.S. securities laws.

Furthermore, there is doubt that a lawsuit based upon U.S. federal or state securities laws, or the laws of any non-Spanish jurisdiction, could be brought in an original action in Spain and that a foreign judgment based upon such laws would be enforceable in Spain. There is also doubt as to the enforceability of judgments of this nature in several other jurisdictions in which the Company operates and where its assets are located.

LEGAL MATTERS

The validity of the New Shares and certain matters governed by Spanish law will be passed on for the Company by Uría Menéndez Abogados, S.L.P., the Company's Spanish counsel, and for the Joint Global Coordinators by Linklaters, S.L.P., Spanish counsel to the Joint Global Coordinators.

Certain other matters governed by U.S. federal law will be passed on for the Company by Gibson, Dunn & Crutcher UK LLP, the Company's U.S. counsel, and for the Joint Global Coordinators by Linklaters, S.L.P., U.S. counsel to the Joint Global Coordinators.

INDEPENDENT AUDITORS

PricewaterhouseCoopers Auditores S.L. and Deloitte, S.L., as joint auditors of the Company have audited the Group's Audited Consolidated Financial Statements for the years ended December 31, 2020, 2021 and 2022 incorporated by reference in this Prospectus, as stated in their reports, which are also incorporated by reference in this prospectus.

PricewaterhouseCoopers Auditores S.L. is domiciled at Paseo de la Castellana, 259 B, 28046, Madrid (Spain), holder of tax identification number (NIF) number B-79031290 and registered in the R.O.A.C. (*Registro Oficial de Auditores de Cuentas*—Official Registry of Auditors) with number S0242 and in the Madrid Commercial Registry at Volume 9,267, section 3, page 87,250-1 and sheet 75. Deloitte, S.L. is domiciled at Plaza de Pablo Ruiz Picasso, 1, 28020 Madrid (Spain) holder of tax identification number (NIF) number B-79104469 and registered in the R.O.A.C. (*Registro Oficial de Auditores de Cuentas*—Official Registry of Auditors) with number S0692 and in the Madrid Commercial Registry at Volume 29,897, section 8^a, page 21 and sheet M-538,045.

DOCUMENTATION INCORPORATED BY REFERENCE

The following documentation is incorporated by reference in this Prospectus:

- The 2022 Audited Consolidated Annual Accounts (<https://www.tecnicasreunidas.es/es/wp-content/uploads/sites/3/2023/03/CCAACC-2022-TRSA-CONSOLIDADO.pdf>) and their English translation (<https://www.tecnicasreunidas.es/wp-content/uploads/2023/03/CCFFSS-TRSA-2022.pdf>).
- The 2021 Audited Consolidated Annual Accounts (<https://www.tecnicasreunidas.es/wp-content/uploads/2022/02/CCAACC-TR-2021-Consolidadas-completas.pdf>) and their English translation (<https://www.tecnicasreunidas.es/wp-content/uploads/2022/03/CCAACC-TR-2021-CONSOLIDATED-ENGLISH-VERSION.pdf>).
- The 2020 Audited Consolidated Annual Accounts (<https://www.tecnicasreunidas.es/wp-content/uploads/2021/02/CCAACC%20TR%202020%20DEFINITIVAS%20COMPLETAS.pdf>) and their English translation (<https://www.tecnicasreunidas.es/wp-content/uploads/2021/03/2020-TRSA-AUDITED-CONSOLIDATED-FFSS.pdf>).

The Financial Statements are accompanied by their respective consolidated directors' reports including all of their respective annexes, and by their respective auditors' reports, which are all incorporated by reference in this Prospectus. This Prospectus and the documentation incorporated by reference therein will remain publicly available in electronic form on the Company's website for at least 10 years after the publication of the Prospectus.

Neither the Company's website nor any of its contents are considered part of or are incorporated into this Prospectus, whether by reference or otherwise, except as otherwise provided herein. The CNMV has not examined nor approved the Company's website nor any of its contents.

ADDITIONAL INFORMATION

Técnicas Reunidas is a Spanish *sociedad anónima* incorporated in Madrid, Spain, for an indefinite term under the public deed granted before the Notary Public of Madrid, Mr. José Luis Díaz Pastor, on 6 July 1960, number 1,356 of his records. It is registered with the Madrid Commercial Registry under Volume 1407, Folio 129, Page No. 5692. Técnicas Reunidas holds Spanish tax identification number A-28092583 and its legal entity identifier (LEI) code is 213800JEZBUPZKWJGF49.

Técnicas Reunidas's registered office is at Avenida de Burgos 89, Adequa, Edificio 6, 28050, Madrid (Spain).

Técnicas Reunidas's corporate name is Técnicas Reunidas, S.A. and its trade name is Técnicas Reunidas.

Documents on display

Copies of the following documents will be available for inspection in physical form during business hours on weekdays at the Company's offices at Avenida de Burgos 89, Adequa, Edificio 6, 28050, Madrid (Spain):

- (a) the bylaws of the Company (which are also available on the Company's website at tecnicasreunidas.es > Shareholders&Investors > Corporate governance > Corporate governance);
- (b) Board of Directors Regulations, General Shareholders' Meeting Regulations, Internal Code of Conduct (which are also available on the Company's website at tecnicasreunidas.es > Shareholders&Investors > Corporate governance); and
- (c) Financial Statements (which are also available on the CNMV's website at www.cnmv.es and on the Company's website at tecnicasreunidas.es > Shareholders&Investors > Financial Results).

Neither the Company's website nor any of its contents forms part of or is incorporated into this Prospectus, whether by reference or otherwise, except as otherwise provided herein. The CNMV has not examined nor approved the Company's website nor any of its contents.

Other information

The Company is currently not subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). For as long as the Company is neither subject to Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, the Company will furnish, upon written request, to any shareholder, any owner of any beneficial interest in any of the New Shares or any prospective purchaser designated by such a shareholder or such an owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act, if at the time of such request any of the New Shares remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act.

Group companies

Técnicas Reunidas is the parent company of a Group comprising the Company and the subsidiaries indicated in the chart below and in Annexes I to III of the 2022 Audited Consolidated Financial Statements.

The table below shows the Group's most significant subsidiaries and joint ventures, including name, country of incorporation or residence, the proportion of ownership interest held and, if different, the proportion of voting power held.

Corporate name	Country	% share	Consolidation method
Initec Plantas Industriales, S.A.	Spain	100%	Global
Heymo Ingeniería, S. A	Spain	100%	Global
Técnicas Reunidas Saudia for Services and Contracting Company Limited	Arabia Saudi	100%	Global
TR RUP	Turkey	100%	Global
TR Ledcor	Canada	50%	Proportional
TR Canadá E&C	Canada	100%	Global
TR Chile	Chile	100%	Global

Corporate name	Country	% share	Consolidation method
TR Duqum	Oman	100%	Global
Técnicas Reunidas Malaysia SDN.	Malasia	100%	Global
Técnicas Reunidas de Talara, S.A.C.	Peru	100%	Global
TR Colombia	Colombia	100%	Global
TR Singapour (Branch)	Singapore	100%	Global
TR Abu Dhabi (Branch)	Abu Dhabi	100%	Global
TR Branch Azerbaijan	Azerbaijan	100%	Global
TR Kuwait Branch	Kuwait	100%	Global
TR Qatar (Branch)	Qatar	100%	Global
TR Daewoo LLC	Oman	65%	Proportional
TR Bapco	Bahrain	32%	Proportional
Hyundai TR Spolka (Branch)	Poland	45%	Proportional
Powertecno Energia Mexicana	Mexico	50%	Proportional
Branch Hassi Messaud	Algeria	55%	Proportional
Branch Kazajistan	Kazakhstan	100%	Global
Branch Holana	Netherlands	100%	Global

A complete list of the Group's subsidiaries and joint ventures can be found in Annexes I to III of the 2022 Audited Consolidated Financial Statements.

SPANISH TRANSLATION OF THE SUMMARY
TRADUCCIÓN AL CASTELLANO DE LA NOTA DE SÍNTESIS

Redactada según el Artículo 7 del Reglamento (UE) 2017/1129 del Parlamento Europeo y del Consejo de 14 de junio de 2017 sobre el folleto que debe publicarse en caso de oferta pública o admisión a cotización de valores en un mercado regulado y por el que se deroga la Directiva 2003/71/CE.

1. Introducción y advertencias

LA PRESENTE NOTA DE SÍNTESIS DEBE LEERSE COMO UNA INTRODUCCIÓN AL FOLLETO. TODA DECISIÓN DE INVERTIR EN LAS NUEVAS ACCIONES Y EN LOS DERECHOS DE SUSCRIPCIÓN PREFERENTE (CÓDIGO ISIN PROVISIONAL ES0178165041 Y ES0678165905, RESPECTIVAMENTE) DE TÉCNICAS REUNIDAS, S.A. (“TÉCNICAS REUNIDAS” O LA “SOCIEDAD” Y, JUNTO CON SUS FILIALES, EL “GRUPO”) DEBIERA BASARSE EN LA CONSIDERACIÓN DEL FOLLETO EN SU CONJUNTO POR PARTE DEL INVERSOR. EL INVERSOR PUEDE PERDER LA TOTALIDAD O PARTE DEL CAPITAL INVERTIDO.

EN CASO DE PRESENTACIÓN ANTE UN TRIBUNAL DE CUALQUIER DEMANDA RELACIONADA CON LA INFORMACIÓN CONTENIDA EN EL PRESENTE FOLLETO O INCORPORADA POR REFERENCIA AL MISMO, ES POSIBLE QUE EL INVERSOR DEMANDANTE, EN VIRTUD DEL DERECHO ESPAÑOL, TENGA QUE ASUMIR LOS COSTES DE LA TRADUCCIÓN DEL FOLLETO ANTES DE INICIAR EL PROCEDIMIENTO JUDICIAL.

SOLO HABRÁ LUGAR A LA RESPONSABILIDAD CIVIL DE LAS PERSONAS QUE HAYAN PRESENTADO ESTA NOTA DE SÍNTESIS, INCLUIDA SU TRADUCCIÓN, SI ES ENGAÑOSA, INEXACTA O INCOHERENTE CON LAS DEMÁS PARTES DEL FOLLETO, O SI, LEÍDA CONJUNTAMENTE CON EL RESTO DEL FOLLETO, OMITIÓ INFORMACIÓN FUNDAMENTAL PARA AYUDAR A LOS INVERSORES A DECIDIR SI DEBEN INVERTIR O NO EN LAS ACCIONES DE TÉCNICAS REUNIDAS.

El domicilio social y el número de teléfono de la Sociedad son, respectivamente, Avenida de Burgos 89, Adequa, Edificio 6, 28050, Madrid, España y +34 91 158 22 55 Su código de identificación legal (LEI) es: 213800JEZBUPZKJGF49.

El Folleto ha sido aprobado y registrado por la Comisión Nacional del Mercado de Valores (la “CNMV”) el 11 de abril de 2023. Los inversores pueden contactar con la CNMV en el número de teléfono +34 900 535 015.

2. Información fundamental sobre el emisor

2.1. ¿Quién es el emisor de los valores?

La denominación social completa del emisor es Técnicas Reunidas, S.A. y su denominación comercial es “Técnicas Reunidas”. Técnicas Reunidas es una sociedad anónima constituida el 6 de julio de 1960 por plazo indefinido e inscrita en el Registro Mercantil de Madrid. Técnicas Reunidas tiene NIF número A28092583.

Técnicas Reunidas se dedica a la prestación de todo tipo de servicios de valor añadido de ingeniería y construcción de plantas industriales para la producción sostenible de combustibles, gas natural y productos químicos, servicios que contemplan desde estudios de viabilidad o ingenierías básicas y conceptuales, hasta la ejecución completa de grandes y complejos proyectos “llave en mano”, incluyendo ingeniería y diseño, gestión de aprovisionamiento y entrega de equipos y materiales, construcción de instalaciones y otros servicios relacionados o vinculados. El Grupo también ofrece soluciones técnicas ligadas a la transición energética, la economía circular y a la descarbonización (hidrógeno renovable, biocombustibles, valorización de residuos, captura y almacenamiento de CO₂, etc.). La mayor parte de la actividad del Grupo se concentra en grandes proyectos industriales “llave en mano”, pero también presta servicios de ingeniería, gestión de la construcción, puesta en marcha y explotación de plantas industriales. El Grupo divide su actividad en cinco líneas de negocio: Refino, Gas Natural, Petroquímica, Tecnologías Bajas en Carbono y Otros. Las principales divisiones del Grupo a 31 de diciembre de 2022 por cifra de negocio son las siguientes (cifra de negocio en miles de euros; % del total): Refino (1.425.936 euros; 33,7%), Gas natural (1.632.121 euros; 38,6%), Petroquímica (842.556 euros; 19,9%), Tecnologías Bajas en Carbono (5.716 euros; 0,1%) y Otros (327.041 euros; 7,7%). El Grupo opera principalmente en América, Asia, Europa, el Mediterráneo y en Oriente Medio. En concreto, los países en los que el Grupo está presente a 31 de diciembre de 2022 son los siguientes: España; América (Argentina, Canadá, Chile, Colombia, México y Perú); Asia (India, Indonesia, Malasia, Kazajistán y Singapur); Europa (Bélgica, Polonia, Países Bajos y Alemania); Mediterráneo (países no europeos, Argelia y Turquía); y Oriente Medio (Arabia Saudí, Azerbaiyán, Bahrein, EAU, Kuwait, Omán y Qatar). Durante el ejercicio cerrado a 31 de diciembre de 2022, la mayor parte de los ingresos del Grupo procedían de fuera de España.

La siguiente tabla expone la información públicamente disponible con respecto a la titularidad efectiva de los derechos de voto en la Sociedad a fecha del presente Folleto:

Titular	Derechos de voto totales (%)		Derechos de voto totales (%)
	Directos	Indirectos	
Ariel Investments, LLC.....	—	3,007	3,007

Titular	Derechos de voto totales (%)		Derechos de voto totales (%)
	Directos	Indirectos	
Franklin Templeton Investment Management Limited	—	3,000	3,000
Francisco Garcia Paramés ⁽¹⁾	—	5,146	5,146
Álvaro Guzmán De Lázaro Mateos ⁽²⁾	—	5,045	5,045
José Lladó Fernández-Urrutia ⁽³⁾	0,107	37,088	37,196
Total (directo e indirecto)			53,394

(1) Las acciones poseídas indirectamente son a través de las entidades CobasConcentrados,F.I.L., CobasGlobal,F.P., CobasIberia,F.I., CobasLuxSICAV:CobasConcentratedFund, CobasRenta, F.I., CobasSelección,F.I., CobasValueSicavSa, AZMultiAsset.Subfund: AZMultiAsset-Bestvalue CobasLuxSICAV:Cobas IberianFund, CobasLuxSICAV:CobasSelectionFund, CobasMixtoGlobal,F.P. y Cobasmixtoglobal,F.P. La tabla muestra la información pública disponible. No obstante, se ha informado a la Sociedad que D. Francisco Garcia Paramés es titular indirectamente de Acciones que representan aproximadamente 5,87% del capital social (antes de la Oferta). (2) Las acciones poseídas indirectamente son a través de las entidades AZvalor Internacional FI; AZvalor Iberia FI; AZvalor LUX SICAV-AZvalor Internacional; AZvalor Value Selection SICAV; Mimosa Capital SIF SICAV SA- AZvalor Ultra SUB FUND; Azvalor LUX SICAV - ALTUM FAITH. La tabla muestra la información pública disponible. No obstante, se ha informado a la Sociedad que D. Álvaro Guzmán De Lázaro Mateos es titular indirectamente de Acciones que representan aproximadamente 6,078% del capital social (antes de la Oferta). (3) Indirectamente a través de Araltec, S.L. y Aragonesas Promoción de Obras y Construcciones, S.L. D. José Lladó Fernández-Urrutia es titular del 93,18% del capital social de Araltec, S.L., que a su vez es titular del 100% del capital social de Araltec Corporación, S.L.U, que posee directamente el 31,993% de los derechos de voto de Técnicas Reunidas, S.A. También es titular del 75,75% del capital social de Aragonesas Promoción de Obras y Construcciones, S.L., que posee directamente el 5,096% de los derechos de voto de Técnicas Reunidas, S.A.

A fecha del presente Folleto, el Consejo de Administración está formado por doce miembros. A continuación se indica la composición del Consejo de Administración y la condición de sus miembros en conformidad con lo dispuesto en los estatutos sociales y en el reglamento del consejo de administración de la Sociedad:

Nombre	Tipo de consejero	Posición	Fecha de nombramiento, elección o reelección	Expiración del mandato
D. Juan Lladó Arburúa.....	Ejecutivo	Presidente Ejecutivo	25 de junio, 2020	25 de junio, 2024
D. José Manuel Lladó Arburúa	Dominical ⁽¹⁾	Vicepresidente primero	25 de junio, 2020	25 de junio, 2024
D. Pedro Luis Uriarte Santamarina..	Independiente ⁽²⁾	Consejero	25 de junio, 2020	25 de junio, 2024
D ^a . Petra Mateos-Aparicio Morales .	Independiente	Consejero	25 de junio, 2020	25 de junio, 2024
D. William Blaine Richardson	Otro Externo ⁽³⁾	Consejero	25 de junio, 2020	25 de junio, 2024
D. Adrián Lajous Vargas.....	Independiente	Consejero	25 de junio, 2020	25 de junio, 2024
D. Alfredo Bonet Baiget	Independiente	Consejero	28 de junio, 2022	28 de junio, 2026
D. José Nieto de la Cierva.....	Independiente	Consejero Coordinador	28 de junio, 2022	28 de junio, 2026
D. Rodolfo Martín Villa.....	Otro Externo ⁽⁴⁾	Consejero	26 de junio, 2019	26 de junio, 2023
D ^a . Inés Andrade Moreno	Independiente	Consejero	25 de junio, 2020	25 de junio, 2024
D. Ignacio Sánchez-Asiaín Sanz	Independiente	Consejero	25 de junio, 2020	25 de junio, 2024
D ^a . Silvia Iranzo Gutiérrez	Independiente	Consejero	28 de junio, 2020	28 de junio, 2026

(1) Consejero dominical en representación de Araltec, S.L., de acuerdo con los términos del acuerdo de su nombramiento. El 93,18% del capital social de Araltec, S.L. es propiedad de D. José Lladó Fernández-Urrutia. Adicionalmente, D. José Lladó Fernández-Urrutia controla el 37,20% del capital social de la Sociedad, del cual un 0,107% es controlado de manera directa y un 37,088% es controlado de manera indirecta a través de Aragonesas Promoción de Obras y Construcciones, S.L. (2) En junio de 2023, D. Pedro Luis Uriarte Santamarina habrá cumplido 12 años como consejero independiente. En consecuencia, dejará de ser calificado como consejero independiente y pasará a ser calificado como "otro consejero externo" de la Sociedad. (3) Otro consejero externo por no tener funciones ejecutivas en la Sociedad y no poder ser calificado como consejero independiente debido al contrato de consultoría suscrito entre D. William Blaine Richardson y la Sociedad. (4) Otro consejero externo por no tener funciones ejecutivas en la Sociedad y no poder ser calificado como consejero independiente por haber percibido en 2019, con anterioridad a su nombramiento como consejero de la Sociedad, una remuneración de Initec Plantas Industriales, S.A.U.

PricewaterhouseCoopers Auditores S.L. y Deloitte, S.L. como auditores conjuntos de la Sociedad han auditado los Estados Financieros Consolidados Auditados del Grupo correspondientes a los ejercicios cerrados a 31 de diciembre de 2020, 2021 y 2022 (los “Estados Financieros”) incluidos en el presente Folleto, según consta en los informes incluidos en el mismo. No obstante, los informes de gestión consolidados que acompañan a los Estados Financieros no han sido auditados por PricewaterhouseCoopers Auditores, S.L. y Deloitte, S.L.

2.2. ¿Cuál es la información financiera fundamental relativa al emisor

<u>Información seleccionada de la cuenta de pérdidas y ganancias</u>	<u>Para el ejercicio cerrado el 31 de diciembre</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
	(auditado, salvo que se indique lo contrario) (en miles de euros)		
Ingresos ordinarios	4.233.370	2.807.593 ⁽¹⁾	3.520.589
Resultado de explotación	8.741	(156.644)	41.464
Resultado antes de impuestos	(18.534)	(179.802)	19.883
Resultado del ejercicio	(34.484)	(192.133)	12.982
Crecimiento interanual de los ingresos (no auditado)	50,78%	(20,25)%	N/A
Crecimiento interanual del resultado de explotación (no auditado)	105,58%	(477,78)%	N/A
Margen EBIT ^{APM} (no auditado)	0,2%	(5,6)%	1,2%
(Pérdida)/Beneficio por acción	(0,69)	(3,55)	0,21

(1) La cifra de Ingresos del ejercicio cerrado a 31 de diciembre de 2021 presentada en los Estados Financieros Consolidados Auditados de 2022, que asciende a 2.806.038 miles de euros, difiere de la cifra de Ingresos del ejercicio cerrado a 31 de diciembre de 2021 presentada en los Estados Financieros Consolidados Auditados de 2021, que asciende a 2.807.593 miles de euros. La información financiera contenida en este Folleto muestra los Ingresos auditados para el ejercicio finalizado el 31 de diciembre de 2021 tal y como se presentan en los Estados Financieros Consolidados Auditados de 2021.

Información seleccionada del balance consolidado

	<u>Para el ejercicio cerrado el 31 de diciembre</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
	(auditado, salvo que se indique lo contrario) (en miles de euros)		
Total activo	4.816.360	3.883.446	3.936.067
Patrimonio total neto	83.014	104.658	283.593
Caja neta ajustada ^{APM} (no auditado)	157.549	(76.006)	195.380

(1) Para el cálculo de la Caja Neta Ajustada^{APM}, la deuda correspondiente al ejercicio cerrado a 31 de diciembre de 2022 excluye el préstamo de participativo del Apoyo Financiero de SEPI (*SEPI Financial Support*) (175 millones de euros) a efectos de comparabilidad frente a 2021 y 2022, cuando el Apoyo Financiero de SEPI no se había contabilizado.

Información seleccionada del estado de flujos de caja

	<u>Para el ejercicio cerrado el 31 de diciembre</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
	(auditado) (en miles de euros)		
Flujos de caja totales de actividades de explotación	83.990	(267.169)	(116.585)
Flujos de caja totales de actividades de inversión	(1.193)	14.028	30.638
Flujos de caja totales de actividades de financiación	210.004	(11.515)	129.853

2.3. ¿Cuáles son los principales riesgos específicos del emisor?

Los factores de riesgo más materiales para el emisor son los siguientes:

- **Riesgos relacionados con el sector y los negocios en los que opera el Grupo**

1. La cartera de proyectos (*Backlog^{APM}*) del Grupo se basa en proyecciones y asunciones internas, sujetas a ajustes y cancelaciones, por lo que puede no ser un indicador completamente fiable de los ingresos o beneficios futuros del Grupo. Además, la conversión de la cartera de proyectos potenciales (*Pipeline*) en cartera de proyectos (*Backlog^{APM}*) puede verse afectada por factores externos o internos, como la eficacia de la actividad comercial del Grupo
2. Los ingresos del Grupo pueden verse afectados por sobrecostos en los proyectos desarrollados en contratos con precio fijo y por desviaciones sobre las asunciones en proyectos "llave en mano"
3. Riesgo asociado a la concentración de la cartera en una base limitada de clientes y un número limitado de países
4. La demanda de los servicios del Grupo depende en gran medida de la actividad y los niveles de gasto de la industria del refino y del gas natural, los cuales se ven directamente afectados por la evolución de la demanda y el precio del petróleo y del gas natural
5. Riesgos de volatilidad de la oferta y de los precios de las materias primas
6. En determinados países, el Grupo depende de un número limitado de proveedores y subcontratistas para prestar y externalizar sus servicios
7. El Grupo está expuesto a riesgos asociados a su expansión en el sector de las Tecnologías Bajas en Carbono, un segmento de nueva creación que requerirá de inversión y generación de ingresos para ser rentable.
8. El Grupo opera en mercados muy competitivos y las presiones competitivas podrían tener un efecto material adverso en el negocio
9. La incapacidad del Grupo para entregar a tiempo sus proyectos podría afectar a las ventas futuras, la rentabilidad y las relaciones con sus clientes.

- **Riesgos relacionados con la información financiera**

10. El Grupo incurrió en pérdidas en los años 2021 y 2022. Además, la posición de Caja Neta^{APM} del Grupo se vio afectada en el año 2021
11. El Grupo está sujeto a riesgos relacionados con su endeudamiento
12. Riesgo derivado de la presencia de SEPI como acreedor de la Sociedad

- **Riesgo relacionado con la fiscalidad**

13. La posibilidad recuperar los activos por impuestos diferidos del Grupo depende de las bases imponibles futuras del Grupo, que pueden no materializarse según las estimaciones llevadas a cabo

3. Información fundamental sobre los valores

3.1. ¿Cuáles son las principales características de los valores?

Las 24.405.265 Acciones Nuevas a emitir en la Oferta son acciones ordinarias de Técnicas Reunidas de 0,10 euros de valor nominal cada una, de la misma clase y serie que las acciones ordinarias en circulación. Las Acciones Nuevas se emitirán en euros. Las Acciones Nuevas son acciones ordinarias, tienen el mismo rango *pari passu* respecto a las acciones ordinarias previamente existentes de la Sociedad y atribuyen a sus titulares los mismos derechos políticos y económicos que las restantes acciones existentes de Técnicas Reunidas, según lo establecido en la Ley de Sociedades de Capital y en los estatutos de la Sociedad. No existen restricciones a la libre transmisibilidad de las acciones ordinarias de la Sociedad en sus estatutos.

El código ISIN de las acciones ordinarias de la Sociedad es ES0178165017. La Agencia Nacional de Numeración, una entidad que forma parte de la CNMV, ha asignado el código ISIN provisional ES0678165905 para los Derechos de Suscripción Preferente y un código ISIN provisional ES0178165041 para las Acciones Nuevas. Tras la admisión a negociación de las Acciones Nuevas, todas las Acciones de la Sociedad tendrán asignado el mismo código ISIN.

Los titulares de las acciones ordinarias de la Sociedad, incluidas las Acciones Nuevas, son titulares de los derechos y están sujetos a las obligaciones establecidas en la Ley de Sociedades de Capital y en los estatutos sociales de la Sociedad. En particular, son derechos inherentes a la condición de accionista de la Sociedad los siguientes: (i) derecho de asistir y votar en la junta general de accionistas; (ii) derecho de suscripción preferente en la emisión de nuevas acciones, así como de obligaciones u otros instrumentos convertibles o que den derecho a la suscripción de nuevas acciones mediante aportaciones dinerarias; (iii) derecho a impugnar los acuerdos sociales; (iv) derecho de información; y (v) derecho de participación en el reparto de las ganancias sociales y el patrimonio resultante de la liquidación.

La Sociedad no tiene una política formal de dividendos y no ha distribuido dividendos en el plazo de 3 años cubierto por la información financiera histórica. La capacidad de la Sociedad para distribuir dividendos a sus accionistas está limitada por el Apoyo Financiero de la SEPI, así como por el Acuerdo de Financiación Sindicado de CESCE y el Préstamo Sindicado del ICO, que a la fecha de este Folleto son las únicas obligaciones (*covenants*) que limitan la distribución de dividendos en cualquier

contrato de financiación suscrito por la Sociedad y, en consecuencia, no distribuirá dividendos en un futuro cercano. La Sociedad podrá considerar la distribución de dividendos (u otras formas de devolver los ingresos netos a los accionistas de una forma fiscalmente eficiente) en el futuro cuando, en su opinión, tenga los suficientes beneficios netos después de tener en cuenta las necesidades de capital circulante. La capacidad de la Sociedad para distribuir dividendos en el futuro a sus accionistas dependerá de una serie de circunstancias y factores que incluyen, entre otros, el importe del beneficio neto atribuible a la Sociedad en cualquier ejercicio financiero, cualquier limitación a la distribución de dividendos incluida en los contratos de financiación suscritos por la Sociedad y la estrategia de crecimiento del Grupo.

3.2. ¿Dónde se negociarán los valores?

Las Acciones están admitidas a negociación en las Bolsa de Valores de Barcelona, Bilbao, Madrid y Valencia (Bolsas de Valores Españolas) a través del Sistema de Interconexión Bursátil ("AQS") con el *ticker* "TRE". La Sociedad espera que los Derechos de Suscripción Preferente sean admitidos a negociación en las Bolsas de Valores Españolas y negociados a través del Sistema de Interconexión Bursátil en el periodo comprendido entre las 8:30 a.m. (CET) del día 13 de abril de 2023 y las 5:30 p.m. (CET) del 26 de abril de 2023. Se solicitará la admisión a negociación de las Acciones Nuevas en las Bolsas de Valores Españolas y su negociación a través del Sistema de Interconexión Bursátil (la "Admisión").

3.3. ¿Hay alguna garantía vinculada a los valores?

No aplicable.

3.4. ¿Cuáles son los principales riesgos específicos de los valores?

Los factores de riesgo más materiales de los valores son los siguientes:

- **Riesgos relacionados con la Oferta**

1. La capacidad de la Sociedad para distribuir dividendos está limitada por algunos de sus contratos financieros y no distribuirá dividendos en el futuro cercano. Asimismo, en el momento en que no existan restricciones a la capacidad de la Sociedad de distribuir dividendos, la Sociedad no puede asegurar que será capaz de distribuir dividendos y que, incluso teniendo la capacidad para hacerlo, los distribuya.
2. Los Accionistas Elegibles que no participen en la Oferta verán diluida su participación accionarial. La Sociedad puede emitir en el futuro Acciones adicionales o valores convertibles, lo que podría diluir la participación de los accionistas en la Sociedad.

4. Información fundamental sobre la oferta pública de valores o sobre su admisión a cotización en un mercado regulado

4.1. ¿En qué condiciones y plazos puedo invertir en este valor?

La Oferta consistirá en un total de 24.405.265 Acciones Nuevas, a un Precio de Suscripción de €6,15 por cada Acción Nueva (valor nominal de €0,10 más una prima de €6,05). La Sociedad otorga Derechos de Suscripción Preferente a los Accionistas Registrados. Cada Acción de la que los Accionistas Registrados sean titulares les otorgará el derecho a recibir un Derecho de Suscripción Preferente. El ejercicio de 11 Derechos de Suscripción Preferente facultará a su titular a suscribir 5 Acciones Nuevas mediante el pago al contado del Precio de Suscripción.

Los Accionistas Registrados que no participen en la Oferta verán diluida su participación. Si un Accionista Registrado no suscribe Acciones Nuevas en el porcentaje que le corresponde en virtud de sus Derechos de Suscripción Preferente, y asumiendo igualmente que las Acciones Nuevas son suscritas en su totalidad por terceros, la participación de dicho Accionista Registrado se diluirá en un 30,39%.

La Sociedad estima obtener unos ingresos netos por la Oferta de aproximadamente €142,5 millones: ingresos brutos de aproximadamente €150 millones menos (i) hasta aproximadamente €2,7 millones de comisiones a pagar a las Entidades Coordinadoras Globales ("*Joint Global Coordinators*") bajo el Contrato de Aseguramiento, asumiendo la colocación de todas las Acciones Nuevas y el pago de la comisión discrecional, y (ii) el importe de aproximadamente €4,8 millones relativo a otros gastos relacionados con la Oferta.

Suscripción de Acciones Nuevas

- **Período de Suscripción Preferente.** El período durante el cual los Accionistas Registrados podrán ejercitar sus Derechos de Suscripción Preferente, o Período de Suscripción Preferente, tendrá una duración de 14 días naturales, contados a partir del primer día natural siguiente a la publicación del anuncio de la Oferta en el BORME. Según el calendario previsto, este periodo comenzará el 13 de abril de 2023 y finalizará el 26 de abril de 2023, ambos inclusive. Los Accionistas Registrados podrán ejercitar sus Derechos de Suscripción Preferente durante los días bursátiles AQS de este periodo. De acuerdo con el calendario previsto, se espera que los días bursátiles AQS comiencen a las 8:30 a.m. CET del 13 de abril de 2023 y finalicen a las 5:30 p.m. CET del 26 de abril de 2023, ambos inclusive. Alternativamente, los Accionistas Registrados podrán vender sus Derechos de Suscripción Preferente en el mercado durante ese mismo periodo, y los compradores de dichos Derechos de Suscripción Preferente podrán suscribir el número correspondiente de Acciones Nuevas, en cada caso, de

conformidad con la ley normativa aplicables. Durante el Período de Suscripción Preferente, los Accionistas Registrados o los compradores de Derechos de Suscripción Preferente podrán ejercitar o vender sus Derechos de Suscripción Preferente, en todo o en parte. Únicamente quienes hayan ejercitado íntegramente sus Derechos de Suscripción Preferente podrán confirmar su solicitud para suscribir de Acciones Nuevas adicionales que excedan de lo que les corresponda de manera proporcional.

- **Período de Asignación Adicional.** La asignación de Acciones Nuevas adicionales está prevista que ocurra no más tarde de las 5:00 p.m. CET del tercer día bursátil de Madrid siguiente a la fecha de finalización del Período de Suscripción Preferente (de conformidad con el calendario previsto, se espera que el tercer día bursátil de Madrid siguiente a la fecha de finalización del Período de Suscripción Preferente tenga lugar el 3 de mayo de 2023). En el supuesto de que finalizado el Período de Suscripción Preferente hubiera Acciones Nuevas pendientes de asignación, la Sociedad las distribuirá entre los titulares de Derechos de Suscripción Preferente que hubieran ejercitado todos sus Derechos de Suscripción Preferente y hubiesen solicitado, al momento de ejercer sus derechos, la suscripción de Acciones Nuevas adicionales.
- **Período de Asignación Discrecional y aseguramiento.** En el supuesto de que, finalizado el Período de Suscripción Preferente y el Período de Asignación Adicional, quedasen Acciones Nuevas sin suscribir, el Período de Asignación Discrecional está previsto que comience en cualquier momento posterior a la finalización del Período de Asignación Adicional (que, de acuerdo con el calendario previsto, se espera que sea el 3 de mayo de 2023) y que finalice no más tarde de las 8:00 a.m. CET del 4 de mayo de 2023, sin perjuicio de la posibilidad de las Entidades Coordinadoras Globales de finalizar el plazo con anterioridad.

En caso de que hubiese Acciones Nuevas, sin contar las Acciones Comprometidas, no suscritas durante el Período de Suscripción Preferente y el Período de Asignación Adicional (las **“Acciones de Asignación Discrecional”** (*rump shares*)), las Entidades Coordinadoras Globales han acordado, sujeto a los términos y condiciones del Contrato de Aseguramiento, realizar un esfuerzo razonable para conseguir suscriptores de las Acciones de Asignación Discrecional en una colocación privada internacional a inversores cualificados y, en su defecto, suscribir y pagar dichas Acciones de Asignación Discrecional al Precio de Suscripción prorrateado a sus respectivos compromisos de aseguramiento. Los titulares de Derechos de Suscripción Preferente que ejerciten sus Derechos de Suscripción Preferente durante el Período de Suscripción Preferente o que soliciten Acciones Nuevas adicionales para su asignación en el Período de Asignación Adicional, así como inversores que soliciten la suscripción de Acciones Nuevas en el Período de Asignación Discrecional, no podrán revocar las suscripciones y solicitudes, excepto cuando se publique un suplemento al Folleto, en cuyo caso tendrán el derecho, ejercitable en los dos días hábiles siguientes a la publicación del suplemento, a revocar sus suscripciones o solicitudes, según sea el caso, siempre que el nuevo factor, error o inexactitud al que el suplemento se refiere surja antes del cierre de la oferta (es decir, cuando la Sociedad proceda al otorgamiento de la correspondiente escritura pública de ejecución del aumento de capital incluida la suscripción y el pago de las Acciones Nuevas (la **“Segunda Escritura Pública”**), ante un notario público español, que se espera que tenga lugar en la Fecha de Ejecución). En el caso de que se publique un suplemento al Folleto, los inversores que hayan adquirido sus Derechos de Suscripción Preferente en el mercado y revoquen dichas suscripciones perderán su inversión.

En el caso de terminación del Contrato de Aseguramiento, o si las obligaciones de aseguramiento y prefinanciación de las Entidades Coordinadoras Globales en virtud del Contrato de Aseguramiento no entran en vigor como consecuencia del incumplimiento o falta de dispensa de alguna condición suspensiva, se considerará un factor significativo que requerirá la publicación de un suplemento, en los términos del párrafo anterior.

Desembolso

El desembolso de las Acciones Nuevas se debe realizar por los accionistas finales que hayan suscrito las acciones: (a) Acciones Nuevas suscritas durante el Período de Suscripción Preferente: en el momento de suscripción. (b) Acciones Nuevas suscritas durante el Período de Asignación Adicional: no más tarde de las 10:00 a.m. CET de la Fecha de Ejecución (antes de que la Sociedad declare el aumento de capital social ejecutado y proceda al otorgamiento de la Segunda Escritura Pública ante un notario público español). Sin perjuicio de lo anterior, las Entidades Participantes podrán requerir que los titulares de Derechos de Suscripción Preferente que soliciten Acciones Nuevas adicionales paguen por adelantado el Precio de Suscripción de las Acciones Nuevas adicionales solicitadas por los mismos en el momento de dicha solicitud. (c) Acciones Nuevas suscritas durante el Período de Asignación Discrecional: no más tarde del día de liquidación, que según el calendario previsto, se espera que sea el 8 de mayo de 2023. No obstante, las Entidades Coordinadoras Globales podrán requerir a los inversores para que aporten previamente los fondos a fin de asegurar el pago del Precio de Suscripción de Acciones de Asignación Discrecional que, en su caso, se les puedan asignar.

La tabla resumen incluida a continuación recoge ciertas fechas importantes en relación con la Oferta:

<u>Hito principal</u>	<u>En o alrededor de</u>
Aprobación del Folleto por la CNMV. Comunicación de información regulatoria anunciando el registro del Folleto en la CNMV y la fecha estimada del inicio y final del Período de Suscripción Preferente	11 de abril, 2023

Hito principal	En o alrededor de
Publicación del anuncio de la Oferta en el BORME y última fecha de cotización de las Acciones “con derechos”. Otorgamiento ante un notario público español de la Primera Escritura Pública	12 de abril, 2023
Inicio del Período de Suscripción Preferente y del período de solicitud de Acciones Nuevas para su asignación y, en su caso, durante el Período de Asignación Adicional. Primer día de cotización de las acciones “sin derechos” (ex-date) e inicio de la cotización de los Derechos de Suscripción Preferente.....	13 de abril, 2023
Fecha de corte en la que Iberclear determinará las posiciones para la asignación de Derechos de Suscripción Preferente (<i>Record Date</i>)	14 de abril, 2023
Finalización de la cotización de los Derechos de Suscripción Preferente (día de participación garantizada). Finalización del Período de Suscripción Preferente y de solicitud de Acciones Nuevas para su asignación (si procede) durante el Período de Asignación Adicional	26 de abril, 2023
Período de Asignación Adicional (en su caso). Comunicación de información regulatoria anunciando los resultados del Período de Suscripción Preferente y del Período de Asignación Adicional (si procede). Comunicación de información regulada anunciando el comienzo del Período de Asignación Discrecional. Inicio del Período de Asignación Discrecional (en su caso)	3 de mayo, 2023
Finalización del Período de Asignación Discrecional (en su caso). Comunicación de información regulatoria anunciando los resultados de la Oferta y el número de Acciones Nuevas suscritas en cada período (en su caso). Desembolso por las Entidades Participantes al Banco Agente de las Acciones Nuevas suscritas durante el Período de Suscripción Preferente y, en su caso, el Período de Asignación Adicional. Desembolso (<i>pre-funding</i>) por el <i>Pre-Funding Bank</i> de las Acciones Nuevas suscritas durante el Período de Asignación Discrecional (en su caso). Otorgamiento de la Segunda Escritura Pública de aumento de capital ante notario público español (Fecha de Ejecución). Comunicación de información regulatoria anunciando el otorgamiento de la Segunda Escritura Pública. Registro de las Acciones Nuevas en Iberclear. Admisión a cotización de las Acciones Nuevas por la CNMV y las Bolsas de Valores Españolas. Ejecución, en su caso, de la Operación Bursátil Especial para la transmisión de las Acciones de Asignación Discrecional asignadas durante el Período de Asignación Discrecional (en su caso)	4 de mayo, 2023
Día de inicio de cotización estimado de las Acciones Nuevas en las Bolsas de Valores Españolas	5 de mayo, 2023
Liquidación, en su caso, de la Operación Bursátil Especial para la transmisión de las Acciones de Asignación Discrecional asignadas durante el Período de Asignación Discrecional (en su caso)	8 de mayo, 2023
Presentación a inscripción de la Segunda Escritura Pública en el Registro Mercantil	9 de mayo, 2023

Compromisos de los accionistas, administradores y del equipo directivo

Compromisos irrevocables. D. José Lladó Fernández-Urrutia, que controla directa o indirectamente el 37,20% del capital social de la Sociedad, del cual un 0,107% es controlado de manera directa y un 37,088% es controlado de manera indirecta a través de Araltec Corporación, S.L. y Aragonesas Promoción de Obras y Construcciones, S.L., (ver “*Accionistas Principales*”), se ha comprometido irrevocablemente a ejercitar los Derechos de Suscripción Preferente correspondientes a todas las Acciones de las que es titular a través de (i) Araltec Corporación, S.L., que representan aproximadamente el 33,31% de la Oferta, y (ii) Aragonesas Promoción de Obras y Construcciones, S.L., que representan aproximadamente un 5,31% de la Oferta, y a suscribir y pagar las Acciones Nuevas correspondientes (el “**Accionista Principal**” y las “**Acciones Comprometidas por el Accionista Principal**”). D. José Lladó Fernández-Urrutia no ejercerá los Derechos de Suscripción Preferente asociados a las Acciones de las que es titular directamente, que representan aproximadamente el 0,112% de la Oferta. El porcentaje que las Acciones Comprometidas del Accionista Principal representan sobre la Oferta difiere del porcentaje del capital social titularidad del Accionista Principal debido a que la Oferta excluye las acciones que la Sociedad mantiene en autocartera. Asimismo, Cobas Asset Management, SGIIC, S.A (la “**Entidad Principal Comprometida**”, y junto con el Accionista Principal, las “**Personas Comprometidas**”), se ha comprometido de manera irrevocable a ejercitar los Derechos de Suscripción preferente correspondientes a 3.283.101 Acciones, (las “**Acciones Comprometidas de la Entidad Principal**”, y junto a las Acciones Comprometidas por el Accionista Principal, las “**Acciones Comprometidas**”) mantenidas a través de las entidades que gestiona, que representan aproximadamente el 6,11% de la Oferta, y a suscribir y pagar las Acciones Nuevas correspondientes. La suscripción de las Acciones Nuevas por las Personas Comprometidas tendrá lugar dentro de los primeros 10 días naturales del Período de Suscripción Preferente. La Sociedad informará al mercado de dichas suscripciones mediante la correspondiente comunicación de otra información relevante, previa confirmación por las Personas Comprometidas.

Intención de ejercer los Derechos de Suscripción Preferente por los Consejeros y miembros de la Alta Dirección. Determinados Consejeros y miembros de la Alta Dirección titulares de acciones de la Sociedad han notificado a la Sociedad su intención de ejercitar sus Derechos de Suscripción Preferente, y a suscribir y pagar las Acciones Nuevas correspondientes. Sin embargo, a

la fecha del Folleto, a diferencia de las Personas Comprometidas, dichos accionistas no han suscrito ningún acuerdo jurídicamente vinculante y, por tanto, pueden decidir finalmente no ejecutar su inversión en la Oferta, en parte o en su totalidad.

4.2. ¿Quién es el oferente o la persona que solicita la admisión a cotización?

El oferente de las Acciones Nuevas es la propia Sociedad (véase la Sección 2 del presente Resumen relativo a la información fundamental sobre el Emisor).

4.3. ¿Por qué se ha elaborado este folleto?

La Sociedad estima obtener unos ingresos netos de la Oferta de aproximadamente €142,5 millones de euros: unos ingresos brutos de aproximadamente €150 millones de euros menos (i) aproximadamente hasta €2,7 millones de euros de comisiones pagaderas a las Entidades Coordinadoras Globales en virtud del Contrato de Aseguramiento, suponiendo la colocación de todas las Acciones Nuevas y el pago de la comisión discrecional, y (ii) otros gastos relacionados con la Oferta por un importe de aproximadamente €4,8 millones de euros.

El objetivo principal de la Oferta es fortalecer la situación patrimonial del Grupo para respaldar el futuro crecimiento que se espera de la nueva ola inversora en la industria energética en general y en la industria intensiva en energía de conformidad con los compromisos adquiridos bajo el Plan de Viabilidad previsto en el Apoyo Financiero de la SEPI. Los participantes en la industria de la ingeniería y la construcción han reforzado sus respectivos balances en los últimos trimestres, ya sea mediante operaciones o mediante ampliaciones de capital. Un balance más sólido mejoraría el posicionamiento competitivo del Grupo en las nuevas licitaciones, lo que le permitiría captar mejor el crecimiento previsto del sector. En este sentido, los ingresos netos se destinarán a: (a) aproximadamente un tercio se dedicará a financiar los gastos operativos que requerirá el segmento de Tecnologías Bajas en Carbono en el contexto de la Transición Energética, cubriendo las necesidades anuales de caja del segmento que se espera surjan a lo largo de 2023, 2024 y 2025 y que estarán relacionadas con: la inversión necesaria para la puesta en marcha de plataformas de desarrollo de negocio y estructuración de proyectos en España, Europa y Estados Unidos, con equipos dedicados a la estructuración de proyectos en dichas regiones; las necesidades en la fase inicial de desarrollo de proyectos de autoabastecimiento a través de la actividad de estructuración de proyectos; la inversión de servicios de ingeniería en el desarrollo y escalado de tecnologías bajas en carbono; y el apoyo en fases iniciales de desarrollo de proyectos de autoabastecimiento de terceros; (b) aproximadamente un tercio se dedicará a optimizar la situación de Caja Neta ajustada del Grupo, reforzando los niveles de caja en línea con el tamaño del Grupo y su evolución prevista en el futuro; y (c) aproximadamente un tercio se dedicará a seguir reduciendo el nivel de endeudamiento del Grupo, lo que contribuirá a que el Grupo mantenga un balance saneado que le permita adjudicarse nuevas garantías de cumplimiento necesarias para el desarrollo ordinario de sus actividades. En particular, este importe se dedicará a amortizar (i) 33.500 miles de euros del Préstamo Sindicado ICO y (ii) 14.000 miles de euros del Contrato de Financiación Sindicado CESCE.

El 10 de abril de 2023, la Sociedad y las Entidades Coordinadoras Globales suscribieron un contrato de aseguramiento según las leyes del Reino de España en relación con la Oferta (el “**Contrato de Aseguramiento**”). Sujeto a determinadas condiciones, cada Entidad Coordinadora Global, actuando por separado y no mancomunada o solidariamente, ha acordado realizar esfuerzos razonables para conseguir suscriptores para las Acciones Nuevas, netas de Acciones Comprometidas, que representan aproximadamente el 55,27% de la Oferta, que no sean suscritas durante el Período de Suscripción Preferente o el Período de Asignación Adicional (es decir, las Acciones de Asignación Discrecional), y, con sujeción a los términos del Contrato de Aseguramiento, a suscribir el número máximo de Acciones Nuevas Suscritas correspondientes si quedasen Acciones Nuevas Suscritas sin vender tras el Período de Asignación Discrecional.

Además, existen determinadas condiciones suspensivas habituales que deben cumplirse y que, por lo general, deben satisfacerse no más tarde de la Hora de Prefinanciación de la Fecha de Ejecución, fecha en la que se espera que se otorgue la Segunda Escritura Pública. Si alguna de dichas condiciones no se cumple o no se produce la dispensa de la misma, o se produce alguna de las circunstancias especificadas, o el Contrato de Aseguramiento se resuelve de otro modo, la suscripción de Acciones de Asignación Discrecional durante el Período de Asignación Discrecional por los inversores o las Entidades Coordinadoras Globales, según proceda, no se producirá y las solicitudes de suscripción de dichas Acciones de Asignación Discrecional quedarán sin efecto.

Si se produce la resolución del Contrato de Aseguramiento, o si las obligaciones de aseguramiento y *pre-funding* de las Entidades Coordinadoras Globales bajo el Contrato de Aseguramiento no adquieren eficacia como resultado del incumplimiento o falta de dispensa de alguna condición suspensiva, será considerado un factor significativo que requiere la publicación de un suplemento. En ese caso, los titulares de Derechos de Suscripción Preferente que hayan ejercitado sus Derechos de Suscripción Preferente durante el Período de Suscripción Preferente o solicitado Acciones Nuevas adicionales en el Período de Asignación Adicional, así como los inversores de Acciones Nuevas asignadas durante el Período de Asignación Discrecional, tendrán el derecho, ejercitable en los dos días hábiles siguientes a la publicación del suplemento, para revocar sus suscripciones o solicitudes, según sea el caso, si dicho factor significativo surge antes del cierre de la oferta (es decir, cuando la Sociedad declare el aumento de capital ejecutado y proceda al otorgamiento de la Segunda Escritura Pública ante un notario público español, que se espera tenga lugar en la Fecha de Ejecución).

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