Técnicas Reunidas, S.A.

Financial Statements
for the year ended
31 December 2024 and
Directors' Report, together
with Independent Auditor's Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Shareholders of Técnicas Reunidas, S.A.,

Report on the Financial Statements

Opinion

We have audited the financial statements of Técnicas Reunidas, S.A. (the Company), which comprise the balance sheet as at 31 December 2024, and the statement of profit or loss, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended.

In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2024, and its results and its cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2 to the financial statements) and, in particular, with the accounting principles and rules contained therein.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

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

Key Audit Matters

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

Recognition of revenue from long-term contracts and of amounts to be billed for work performed	
Description	**Procedures applied in the audit**
The Company recognises revenue based on the percentage of completion method by reference to the stage of completion in accordance with the regulations applicable in Spain for construction contracts. This revenue recognition method was a key matter in our audit since it affects the valuation of the amounts to be billed for work performed (totalling EUR 1,701 million at 31 December 2024), and application of the method requires significant estimates to be made, using significant judgements in relation to the total costs required to execute the contract, and regarding the amount of any claims or changes in the scope of the project that, where applicable, are included as additional contract revenue. The Company has implemented processes and controls to ensure the appropriate accounting for, and monitoring of, long-term contracts, from the tendering phase, during their execution and until they are completed. These processes include, among others: project organisation, documentation, risk management, financial reviews and reporting, as well as controls to ensure the consistency, reasonableness and appropriate application of accounting principles. Information relating to construction contracts and to any significant arbitration in progress affecting them, arising from disputes with customers and suppliers, is disclosed in Notes 3.15, 9, 21 a) and 23 to the accompanying financial statements. The aforementioned Note 9 also details the evolution of the change orders and claims under negotiation with customers at year-end.	In the course of our audit work, we obtained an understanding of the controls implemented in the process of estimating the margins of long-term contracts. Our audit procedures included, among others, the performance of tests on the design, implementation and operating effectiveness of the relevant controls that mitigate the risks associated with the process for recognising revenue from construction contracts of this kind. We also performed an in-depth, case-by-case analysis of the main projects in progress, and of a sample of the other projects taken on a selective basis, in order to evaluate the reasonableness of the assumptions and hypotheses used by the Company, for which purpose we held meetings with technical personnel of the Company and, in particular, with the persons in charge of the main projects analysed. The main procedures we performed for all the selected projects were as follows: • Obtainment of the contracts for their perusal and understanding, and to evaluate the implications of the most significant clauses; and of the budgets and execution monitoring reports of the projects. • Analysis of the changes in the margins with respect to variations in both the selling price and the total budgeted costs. • Evaluation of the consistency of the estimates made by the Company in 2023 with the actual data for the contracts in 2024. • Recalculation of the stage of completion of each phase of the selected projects and comparison of the results with the Company's calculation.

Recognition of revenue from long-term contracts and of amounts to be billed for work performed	
Description	**Procedures applied in the audit**
In view of the significance of the judgements and estimates made in recognising this revenue, and the quantitative materiality thereof, this matter was considered to be a key matter in our audit.	• In relation to contract modifications and claims under negotiation with customers, obtainment of the technical approvals and the status of the financial negotiations, as well as third-party expert reports and detailed explanations provided by Company management. • Analysis and reconciliation of the financial information with the project monitoring reports furnished by project management. • Obtainment of the documentation supporting the settlement agreements reached and final completion of the projects. In addition, in relation to the arbitration in progress, we obtained supporting documentation on the situation of each case at year-end, events after the reporting period and the outcome probability assessment conducted by management of the Company and its legal advisers (Note 23 to the accompanying financial statements) and, for a selection of such cases, we involved our internal legal experts to evaluate and examine the assumptions and judgements applied by the Company. Lastly, we checked that the disclosures included in Notes 3.15, 9, 21 a) and 23 to the accompanying financial statements for 2024 in connection with the recognition of contract revenue by reference to the stage of completion were in conformity with those required by the regulatory financial reporting framework applicable to the Company. The result of the procedures performed enabled the audit objectives for which the procedures were designed to be reasonably achieved.

Recoverability of deferred tax assets

Description

The balance sheet as at 31 December 2024 includes EUR 286 million of deferred tax assets relating mainly to temporary differences arising from losses incurred in foreign operations, which the Spanish tax group headed by the Company will be able to recover when the companies carrying on these operations are liquidated.

At year-end, management of the Company prepares backlog, revenue and profitability projections broken down by project to assess the ability to recover the deferred tax assets, taking into consideration changes in legislation and updated information on the returns obtained from the various projects.

These projections were prepared based on the information available at the date of formal preparation of the accompanying financial statements, as well as on application of the relevant legislation (which, among other matters, establishes limits on the use of tax assets) and the advance pricing arrangements disclosed in Note 20 to the accompanying financial statements.

The corresponding sensitivity analysis was performed on the critical variables used in the projections, primarily on the estimated return on future projects, which showed that, even in the event of a decrease of around 15% in the expected average return, the deferred tax assets would be able to be recovered in less than ten years.

The information relating to deferred tax assets is disclosed in Note 20 to the accompanying financial statements.

Procedures applied in the audit

We obtained an understanding of and analysed the estimation process conducted by the directors and management of the Company, focusing our procedures on aspects such as:

- The process of drawing up the business plan, which is based primarily on the projects in progress, the projects in the backlog and estimates relating to new contracts to be included in the portfolio based on historical information, and is prepared in order to evaluate the recognition, valuation and recoverability of the deferred tax assets.
- The criteria used in the calculation of the deferred tax assets.
- The fundamental information used by Company management in its analysis of the recoverability of the deferred tax assets, checking its consistency with the project estimates used in other areas of the audit, such as revenue recognition or the assessment of the going concern basis of accounting.

Our audit procedures included, among others, reviewing the documentation and historical analysis of project sales and returns supporting the assumptions made by management and the directors of the Company in relation to the recovery of the deferred tax assets, as well as the sensitivity analysis conducted by the Company and its potential impact on deferred tax asset recovery periods.

We also involved our internal specialists from the tax area in the consideration of the reasonableness of the tax assumptions used based on the applicable legislation, in order to ensure they were complete and appropriate.

Recoverability of deferred tax assets	
Description	**Procedures applied in the audit**
We identified this matter as key in our audit, since the preparation of these projections requires a significant level of judgement, largely in connection with the evolution of the projections relating to the projects affecting the estimate made for the recoverability of the deferred tax assets.	Lastly, we checked that Note 20 to the accompanying financial statements contained the disclosures required in this connection by the regulatory financial reporting framework applicable to the Company. The result of the procedures performed enabled the audit objectives for which the procedures were designed to be reasonably achieved.

Other Information: Directors' Report

The other information comprises only the directors' report for 2024, the preparation of which is the responsibility of the Company's directors and which does not form part of the financial statements.

Our audit opinion on the financial statements does not cover the directors' report. Our responsibility relating to the directors' report, in accordance with the audit regulations in force, consists of:

a) Solely checking that the non-financial information statement, certain information included in the Annual Corporate Governance Report and the Annual Directors' Remuneration Report, to which the Spanish Audit Law refers, have been furnished as provided for in the applicable legislation and, if this is not the case, reporting this fact.

b) Evaluating and reporting on whether the other information included in the directors' report is consistent with the financial statements, based on the knowledge of the entity obtained in the audit of those financial statements, as well as evaluating and reporting on whether the content and presentation of this section of the directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we observed that the information described in section a) above had been furnished as provided for in the applicable legislation and that the other information in the directors' report was consistent with that contained in the financial statements for 2024 and its content and presentation were in conformity with the applicable regulations.

Responsibilities of the Directors and of the Audit Committee for the Financial Statements

The directors are responsible for preparing the accompanying financial statements so that they present fairly the Company's equity, financial position and results in accordance with the regulatory financial reporting framework applicable to the Company in Spain, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee is responsible for overseeing the process involved in the preparation and presentation of the financial statements.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

A further description of our responsibilities for the audit of the financial statements is included in Appendix I to this auditor’s report. This description forms part of our auditor’s report.

Report on Other Legal and Regulatory Requirements

European Single Electronic Format

We have examined the digital file in European Single Electronic Format (ESEF) of Técnicas Reunidas, S.A. for 2024, which comprises an XHTML file including the financial statements for 2024, which will form part of the annual financial report.

The directors of Técnicas Reunidas, S.A. are responsible for presenting the annual financial report for 2024 in accordance with the format requirements established in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation"). In this regard, the Annual Corporate Governance Report and the Annual Directors' Remuneration Report were included by reference in the directors' report.

Our responsibility is to examine the digital file prepared by the Company's directors, in accordance with the audit regulations in force in Spain. Those regulations require that we plan and perform our audit procedures in order to ascertain whether the content of the financial statements included in the aforementioned file corresponds in full to that of the financial statements that we have audited, and whether those financial statements were formatted, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital file examined corresponds in full to the audited financial statements, and these are presented, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Additional Report to the Audit Committee

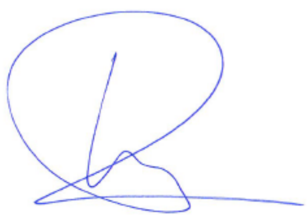
The opinion expressed in this report is consistent with the content of our additional report to the Company's audit committee dated 27 February 2025.

Engagement Period

The Annual General Meeting held on 26 June 2024 appointed us as auditors for a period of one year from the year ended 31 December 2023, i.e., for 2024.

Previously, we were designated auditors pursuant to a resolution of the General Meeting for a period of one year (2023) and had been auditing the financial statements uninterruptedly with PricewaterhouseCoopers Auditores, S.L. as joint auditors from the year ended 31 December 2017 to the year ended 31 December 2022.

DELOITTE AUDITORES, S.L.
Registered in ROAC under no. S0692



Antonio Sánchez-Covisa Martín-González
Registered in ROAC under no. 21.251

27 February 2025

Appendix I to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

We also provide the entity's audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we have communicated with it all matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards applied to eliminate or reduce the corresponding threat.

From the matters communicated with the entity's audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

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

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

TÉCNICAS REUNIDAS, S.A.

Financial statements at 31 December 2024
and Directors' Report for 2024

TÉCNICAS REUNIDAS, S.A.
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TÉCNICAS REUNIDAS, S.A.
BALANCE SHEET AT 31 DECEMBER 2024
(Expressed in thousands of Euros)

		At 31 December	
ASSETS	**Notes**	**2024**	**2023**
NON-CURRENT ASSETS		**631,240**	**615,833**
Intangible assets	**5**	**44,002**	**45,250**
Property, plant and equipment	**6**	**14,447**	**15,689**
Non-current investments in Group companies and associates	**8**	**196,949**	**180,128**
Non-current financial investments	**7**	**89,587**	**89,427**
Shares and non-current equity interests.		197	197
Loans to third parties		130	289
Other financial assets		89,260	88,941
Deferred tax assets	**20**	**286,255**	**285,339**
CURRENT ASSETS		**3,559,856**	**3,256,693**
Inventories	**11**	**6,536**	**6,536**
Advances to suppliers	**12**	**73,567**	**74,184**
Trade and other receivables	**7-9**	**2,222,771**	**1,864,530**
Current investments in Group companies and associates	**9-7**	**484,862**	**629,352**
Current financial investments		**17,770**	**36,373**
Derivatives	**7-10**	8,223	25,968
Other financial assets	**7**	9,547	10,405
Cash and cash equivalents	**13**	**754,350**	**645,718**
TOTAL ASSETS		**4,191,096**	**3,872,526**

The accompanying Notes 1 to 29 and Appendix I are an integral part of these financial statements.

TÉCNICAS REUNIDAS, S.A.
BALANCE SHEET AT 31 DECEMBER 2024
(Expressed in thousands of Euros)

		At 31 December	
EQUITY AND LIABILITIES	**Notes**	**2024**	**2023**
EQUITY		**669,278**	**500,580**
Shareholders' equity		**663,043**	**481,932**
Share capital	**14**	**8,030**	**8,030**
Registered share capital		8,030	8,030
Share premium	**14**	**156,343**	**156,343**
Reserves	**15**	**391,612**	**252,325**
Legal and bylaw reserves		1,606	1,137
Other reserves		390,006	251,188
(Treasury shares)	**14**	**(73,762)**	**(73,833)**
Profit for the year	**16**	**180,820**	**139,067**
Valuation adjustments		**6,235**	**18,648**
Hedging transactions		(15,665)	13,392
Translation differences	**17**	21,900	5,256
NON-CURRENT LIABILITIES		**799,356**	**867,687**
Participative loans	**18**	**175,000**	**175,000**
Non-current provisions		**259,597**	**284,492**
Other provisions	**19**	259,597	284,492
Non-current payables		**341,990**	**381,498**
Borrowings	**18**	340,569	380,758
Derivatives	**18**	846	-
Other financial liabilities	**18**	575	740
Liabilities from differed taxes	**20**	**22,769**	**26,697**
CURRENT LIABILITIES		**2,722,462**	**2,504,259**
Current provisions	**19**	**-**	**10**
Current payables		**326,258**	**306,189**
Borrowings	**18**	284,001	305,142
Derivatives	**7-10**	42,257	1,047
Current payables to Group companies and associates	**18**	**100,268**	**65,044**
Trade and other payables	**18**	**2,295,936**	**2,133,016**
TOTAL EQUITY AND LIABILITIES		**4,191,096**	**3,872,526**

The accompanying Notes 1 to 29 and Appendix I are an integral part of these financial statements.

TÉCNICAS REUNIDAS, S.A.
INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in thousands of Euros)

		Year ended 31 December	
	Notes	**2024**	**2023**
CONTINUING OPERATIONS			
Net Income	**21**	**3,015,093**	**2,772,827**
Sales and services rendered		3,015,093	2,772,827
Changes in inventories of finished goods		**-**	**2,029**
Procurements		**(1,993,494)**	**(1,832,838)**
Cost of goods held for resale used		(1,993,494)	(1,832,838)
Other operating income		**10,070**	**10,215**
Non-core and other current operating income		7,006	5,890
Income-related grants transferred to profit or loss		3,063	4,325
Staff costs	**21.c**	**(389,491)**	**(323,427)**
Wages, salaries and similar expenses		(326,853)	(269,163)
Employee benefit costs		(60,687)	(52,609)
Provisions		(1,951)	(1,655)
Other operating expenses		**(320,183)**	**(278,754)**
Outside services	**21.d**	(306,216)	(253,014)
Taxes other than income tax		(8,481)	(7,929)
Losses on, impairment of and change in allowances for trade receivables		(1,747)	(16,533)
Other current operating expenses		(3,739)	(1,278)
Depreciation and amortisation charge	**5 y 6**	**(5,708)**	**(4,336)**
Impairment and gains or losses on disposal of non-current assets		**1**	**196**
PROFIT/(LOSS) FROM OPERATIONS		**316,289**	**345,912**
Finance income		50,935	115,058
Finance costs		(54,748)	(53,511)
Exchange differences		22,242	(8,051)
Impairment and gains or losses on disposal of financial instruments		(121,151)	(196,755)
FINANCIAL PROFIT/(LOSS)	**22**	**(102,722)**	**(143,259)**
PROFIT/(LOSS) BEFORE TAX		**213,567**	**202,653**
Income tax	**20**	(32,747)	(63,586)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**180,820**	**139,067**
PROFIT/(LOSS) FOR THE YEAR		**180,820**	**139,067**

The accompanying Notes 1 to 29 and Appendix I are an integral part of these financial statements.
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TÉCNICAS REUNIDAS, S.A.
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in thousands of Euros)

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 31 December 2024

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Profit/(Loss) for the year per income statement		**180,820**	**139,067**
Income and expense recognised directly in equity			
Arising from cash flow hedges	10	(60,427)	23,673
From actuarial gains and losses and other adjustments	17	16,644	(2,351)
Tax effect	20	15,107	(5,918)
Total income and expense recognised directly in equity		**(28,676)**	**15,404**
Transfers to profit or loss			
Arising from cash flow hedges	10	21,691	(538)
Tax effect	20	(5,427)	121
Total transfers to profit or loss		**16,264**	**(417)**
TOTAL RECOGNISED INCOME AND EXPENSES		**168,408**	**154,054**

The accompanying Notes 1 to 29 and Appendix I are an integral part of these financial statements.

TÉCNICAS REUNIDAS, S.A.
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

B) STATEMENT OF CHANGES IN TOTAL EQUITY FOR THE YEAR ENDED 31 December 2024
(Expressed in thousands of Euros)

	Share capital (Note 14)	Share premium (Note 14)	Reserves (Note 15)	Treasury shares (Note 14)	Profit/(loss) for the year (Note 16)	Valuation adjustments (Notes 10 and 17)	TOTAL
ADJUSTED BALANCE AT BEGINNING OF 2023	**5,590**	**8,691**	**254,152**	**(72,909)**	**3,063**	**3,661**	**202,248**
Total recognised income and expense	-	-	-	-	139,067	14,987	154,054
Other transactions with shareholders or owners	-	-	913	(924)	-	-	(11)
Other changes in equity							
- Capital increase	2,440	147,652	(5,803)	-	-	-	144,289
- Distribution of profit	-	-	3,063	-	(3,063)	-	-
BALANCE AT END OF 2023	**8,030**	**156,343**	**252,325**	**(73,833)**	**139,067**	**18,648**	**500,580**
ADJUSTED BALANCE AT BEGINNING OF 2024	**8,030**	**156,343**	**252,325**	**(73,833)**	**139,067**	**18,648**	**500,580**
Total recognised income and expense	-	-	-	-	180,820	(12,413)	168,407
Other transactions with shareholders or owners	-	-	220	71	-	-	291
Other changes in equity							
- Distribution of profit	-	-	139,067	-	(139,067)	-	-
BALANCE AT END OF 2024	**8,030**	**156,343**	**391,612**	**(73,762)**	**180,820**	**6,235**	**669,278**

The accompanying Notes 1 to 29 and Appendix I are an integral part of these financial statements.

TÉCNICAS REUNIDAS, S.A.
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in thousands of Euros)

	Notes	Year ended 31 December 2024	2023
Cash flows from operating activities			
1. Profit for the year before tax		213,567	202,653
2. Adjustments for:			
Depreciation and amortisation charge	**5 and 6**	5,708	4,336
Change in provisions, impairment of trade receivables	**19**	(24,895)	900
Impairment losses	**8**	86,492	198,893
Finance income	**25**	(50,935)	(115,058)
Finance costs	**25**	54,748	53,511
Exchange differences		(22,242)	8,050
Changes in gains/(losses) on derivatives		21,692	(538)
3. Changes in working capital:			
Inventories and advances	**11 and 12**	617	(43,914)
Trade and other receivables		(211,450)	345,101
Other accounts receivable		883	4,203
Trade payables		159,643	(125,911)
Other financial assets		(161)	(200)
Settlements of hedging derivatives		(630)	12,855
4. Other cash flows from operating activities			
Interest paid		(51,383)	(41,984)
Dividends received		5,955	28,370
Interest received		44,980	12,409
Income tax recovered/(paid)		(2,739)	(13,296)
5. Cash flows from operating activities		**229,848**	**530,381**
Cash flows from investing activities			
6. Payments due to investments			
Acquisition of property, plant and equipment	**6**	(2,711)	(10,745)
Acquisition of intangible assets	**5**	(422)	(29)
Investments in Group companies and associates		(56,233)	(53,045)
7. Proceeds from disposals			
Property, plant and equipment		40	258
Intangible assets		1	-
8. Cash flows from investing activities		**(59,324)**	**(63,561)**
Cash flows from financing activities			
9. Proceeds and payments relating to equity instruments			
Acquisition and disposal of treasury shares, net		291	(11)
Capital increase	**14**	-	150,092
10. Proceeds and payments relating to financial liabilities			
a) Issue			
Bank borrowings		420,222	277,175
Payable to Group companies and associates		39,202	132,897
b) Return			
Bank borrowings		(485,415)	(401,200)
Payable to Group companies and associates		(36,192)	(454,558)
12. Cash flows from financing activities		**(61,892)**	**(295,605)**
Net change in cash and cash equivalents		**108,632**	**171,215**
Cash and cash equivalents at beginning of year		**645,718**	**474,503**
Cash and cash equivalents at end of year		**754,350**	**645,718**

The accompanying Notes 1 to 29 and Appendix I are an integral part of these financial statements.

1. General information

Técnicas Reunidas, S.A. ('the Company') was incorporated on 6 July 1960 as a public limited liability company. It is registered with the Commercial Registry of Madrid in volume 1,407, sheet 5,692, page 129. The latest adaptation of its Articles of Association is registered in volume 40579, section 8, book 0, page 30, sheet M-72319, entry 262.

On 21 May 2021, the transfer of the registered office of Técnicas Reunidas, S.A. from Arapiles 14, 28015, Madrid, to Avenida de Burgos 89, Adequa, Edificio 6, Madrid, Spain, was registered at the Commercial Registry of Madrid.

The Company's corporate purpose is described in Article 4 of the Articles of Association and consists of the performance of all manner of engineering and construction services for industrial plants, ranging from viability or basic and conceptual engineering studies to large and complex turnkey engineering and design projects, management of supply, equipment and material deliveries and construction of plants and related or associated services, such as technical assistance, construction supervision, project management, technical management, start-up and training.

As part of its engineering services activity the Company mainly operates in the following lines of business:

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

All the shares of Técnicas Reunidas, S.A. have been admitted to trading since 21 June 2006. They are listed on the Continuous Market of the Spanish Stock Exchange (*Bolsas y Mercados Españoles*).

As indicated in Note 8, the Company is the parent of a group of companies ('the Group'). The accompanying financial statements were prepared on an unconsolidated basis. On 27 February 2025, the Board of Directors prepared the consolidated financial statements of Técnicas Reunidas, S.A. and its subsidiaries at 31 December 2024, which were prepared using the international financial reporting standards adopted by the European Union (EU-IFRS). In accordance with the content of these consolidated financial statements, equity amounts to EUR 399,635 thousand (2023: EUR 324,517 thousand), a figure that includes the profit for 2024 amounting to EUR 89,420 thousand (2023: EUR 59,730 thousand), of which EUR 89,942 thousand are attributable to the Company's shareholders (2023: EUR 60,951 thousand).

2. Basis of presentation

<u>Regulatory financial reporting framework applicable to the Company</u>

These financial statements were prepared by the directors in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

a. The Spanish Commercial Code (*Código de Comercio*) and all other Spanish Corporate Legislation.
b. The Spanish National Chart of Accounts (*Plan General de Contabilidad*) enacted by Royal Decree 1514/2007, which was amended by Royal Decree 1/2021, and its industry adaptations.
c. The mandatory rules approved by the Spanish Accounting and Audit Institute to implement the National Chart of Accounts and its supplementary rules.
d. All other applicable Spanish accounting legislation.

Fair presentation

The financial statements for 2024 have been prepared from the Company's accounting records and are presented in accordance with current commercial law and the National Chart of Accounts enacted by Royal Decree 1514/2007, as most recently amended by Royal Decree 1/2021, of 12 January, applicable for years beginning on or after 1 January 2021, to present fairly the Company's equity, financial position and results of operations, as well as the truthfulness of the cash flows included in the statement of cash flows. They were authorised for issue by the Company's directors in order express fairly its equity, financial position, results from its operations, changes in equity and cash flows in accordance with the aforementioned current law.

Significant events

a) Launch of the 2024-2028 Strategic Plan

The Company has updated its strategy for the next 4 years in a strategic plan known as SALTA, focusing on healthier growth, higher margins and lower operational and financial risk.

SALTA establishes a new organisational model (currently under development for subsequent implementation) in which five business units will be defined: 1) Engineering and Services, 2) Power, 3) North America, 4) Europe and the Rest of the World, and 5) Middle East and APAC.

The five new business units will carry out Técnicas Reunidas' growth plan for the coming years, based on 7 key pillars to be developed: focus on engineering and services, greater presence in North America, launch and development of the energy transition (Track), a greater focus on the digitalisation of operations, agreements with third parties, such as Sinopec and other future partnerships to be developed, and finally, the reinforcement of local presence and talent.

The characteristics of each of them are as follows:

- Engineering and services: Intensify service delivery. Create a specific business unit to drive the engineering and project management services business.
- North America. The recent launch of the North American office will help to capture the potential of the American market.
- Energy transition. Focus on low-emission technologies, especially hydrogen and its derivatives, carbon capture and sustainable fuels.
- Digitisation. Increased efficiency and productivity of operations through innovation in digital tools.
- Partnership with Sinopec and new alliances. Strengthened bidding and project implementation through the partnership with Sinopec and future alliances already planned with other business partners.
- Reorganisation of the management model: Strengthen the local presence in each of the defined geographical implementation units.
- Retain high-value talent. Internal programmes that strengthen retention of the most qualified staff, and professional development and talent.

With the implementation of the new SALTA strategy and the expected growth in demand for its engineering and project execution services, Técnicas Reunidas expects to multiply its operating profit (EBIT) by 2.4, continue with the deleveraging process and strengthen the financial soundness of its balance sheet

Against this backdrop of earnings growth and financial strength, Técnicas Reunidas will resume its attractive shareholder remuneration policy, which consists of setting its pay-out (percentage of profit allocated to dividends) at, at least, 30% in 2026. The goal will be to increase this remuneration in subsequent years until at least the pay-out levels consolidated in the past are reached.

b) The Conflict in Ukraine

The conflict in Ukraine has significantly affected the stability of the markets, especially in geographical areas close to those affected by the conflict. This has therefore caused major disruptions throughout the supply chain of the engineering and construction industry in the energy sector. This has mainly resulted in significant instability of suppliers' offers and a lack of availability of resources, which has affected standard market conditions for goods and services.

Since the beginning of this conflict, the Group reached agreements with the customers of several projects that were most affected by the consequences of the war and its aftermath, and drew up addenda and amendments to the original contracts. This has enabled the Group to mitigate the effects of the conflict on project performance and to carry out the projects in accordance with the margins initially planned.
The Group continues to monitor on a regular basis, for all projects underway, possible changes in market conditions that may be caused by the conflict in Ukraine.

c) Effects of COVID

There were no effects of COVID-19 in 2024, since the situation of the projects affected by the compensation agreements reached with customers in previous years has stabilised to date.

Access to EU funds for strategic companies and solvent companies

In mid-2020, the European Union launched mechanisms to help companies that were solvent before the appearance of COVID and that had been severely impacted by the pandemic. In Spain, these funds are managed by the Spanish State-Owned Industrial Holding Company (SEPI). On 22 February 2022, a financing package of EUR 340 million was granted to Técnicas Reunidas, structured into a participative loan of EUR 175 million and an ordinary loan of EUR 165 million. The first partial repayment of the ordinary loan, amounting to EUR 33 million, took place on 22 February 2024. In addition, the interest corresponding to the ordinary tranche, which amounted to EUR 3.3 million, and the interest on the equity tranche, amounting to EUR 10.7 million, was also paid on that date. The second partial repayment of the ordinary loan, amounting to EUR 49.5 million, took place on 24 February 2025. In addition, the interest corresponding to the ordinary tranche, which amounted to EUR 2.6 million, and the interest on the equity tranche, amounting to EUR 13.5 million, was also paid on that date.

Both tranches of the loan have a repayment period of four and a half years from when the loan is granted, maturing in August 2026. However, the ordinary tranche establishes partial repayments over the life of the loan, with EUR 82.5 million of the ordinary loan and EUR 175 million of the participative loan yet to be repaid at the date of publication of these consolidated financial statements.

Técnicas Reunidas holds quarterly meetings with SEPI to monitor full compliance with all the terms linked to the public aid granted. The temporary aid received to alleviate the effects of COVID-19 was repaid on a timely basis in accordance with the contractually established repayment schedules.

Comparative information

For information comparison purposes, the Company presents, together with the balance sheet, the income statement, the statement of cash flows and the statement of changes in equity for the years ended 31 December 2024 and 2023. The Company presents comparative information in the explanatory notes to the financial statements when it is relevant for a better understanding of the current year's financial statements.

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

Accounting estimates and judgements

When preparing the financial statements, the Company must make estimates and assumptions regarding the future that may affect the accounting policies adopted and the amount of assets, liabilities, income and expenses and the related breakdowns. Estimates and assumptions are evaluated on an ongoing basis and are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates, per se, rarely match the corresponding outcomes in real life.

The following is a breakdown of the main estimates made by Company management:

a) Revenue recognition

The Company 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 Company 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 (Note 3.15).

Contract revenue arising from claims made by the Company against customers or from changes in the scope of the project are included as contract revenue when approved by the end customer or when it is likely that the Company will receive an inflow of funds.

b) Income tax and deferred tax assets

The calculation of income tax requires the interpretation of tax legislation applicable to the Company. There are also several factors linked mainly, but not exclusively, to changes in tax laws and to changes in the interpretations of the tax laws in force, which require Company management to make certain estimates. The Company also assesses the recoverability of deferred tax assets based on the existence of future taxable profit against which these assets may be utilised. With regard to uncertain tax positions, the management of the Company, as the head of the tax group (see Note 23), assesses the probability of these positions and quantifies them based on the Company's experience with similar transactions, consulting its tax advisers when necessary and obtaining other additional expert reports when needed.

c) 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 comply with the applicable accounting requirements. The Company'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.

d) Accounts receivable

The Company 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 customers.

e) Fair value of unlisted financial instruments

The Company determines the fair value of financial instruments (financial assets and liabilities) not traded on an active market using valuation techniques. The Company exercises judgement in selecting a variety of methods and making assumptions that are based mainly on prevailing market conditions at the reporting date. The Company used the discounted cash flow analysis for certain derivative financial instruments that are not traded on active markets, or other objective evidence of the fair value of the financial instrument, such as by reference to transactions recently performed or the value of purchase or sale options existing as of the balance sheet date.

f) **Warranty claims**

The Company generally offers warranties of 24 or 36 months on its work and services. 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.

g) **Impairment of equity investments in Group companies, jointly controlled entities and associates**

The impairment of investments in Group companies, jointly controlled entities and associates is verified in accordance with the accounting policy described in Note 3.5.d. Given that the companies are unlisted, the underlying carrying amount adjusted by the unrealised gains existing at the measurement date are considered to be the recoverable amounts. Estimates need to be used for these calculations.

h) **Useful lives of items of property, plant and equipment and intangible assets**

The Company's management determines the estimated useful lives and the related depreciation and amortisation charges for its property, plant and equipment and intangible assets. The useful lives of its non-current assets are estimated based on the period over which the assets will generate economic benefits. At each reporting date, the Company reviews the useful lives of its assets and if the estimates differ from those previously made, the effect of the change is recognised prospectively as from the year in which the change is made.

i) **Impairment of concession assets**

The estimated recoverable amounts of the concessions operated by the Company were determined using the discounted cash flows based on the budgets and expected projections for these concession assets and using appropriate discount rates for these businesses.

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

Grouping of items

In order to make it easier to understand the balance sheet, the income statement, and the statement of cash flows, these statements have been presented grouped together, with the required analysis included in the report's corresponding notes.

3. Accounting criteria

3.1. Intangible assets

a) **Research and development expenditure**

Research expenditure is recognised as an expense when it is incurred, while development expenditure incurred in a project is recognised as an intangible asset if it is viable from a technical and commercial perspective, sufficient technical and financial resources are available to complete it, the costs incurred can be reliably determined and profit is likely to be generated.

Other development costs are recognised as an expense when incurred. Development costs previously recognised as an expense are not capitalised in subsequent years. Capitalised development costs with a finite useful life are amortised on a straight-line basis over the estimated useful life of each project, which may not exceed five years.

If an asset’s carrying amount is greater than its estimated recoverable amount, its value is immediately reduced to its recoverable amount (Note 3.4).

If there are changes in the favourable circumstances of the project that made it possible to capitalise the development costs, the unamortised portion is charged to income in the year in which these circumstances change.

b) Computer software

This includes the title to and the right to use the computer programs, both acquired from third parties and developed by the Company, that are expected to be used over several years. Computer program licences acquired from third parties are capitalised based on the costs incurred for acquiring them and preparing them for their use with the program in question. Accordingly, the costs directly related to producing unique and identifiable computer programs controlled by the Company that are likely to generate profit for more than one year that will exceed their costs, are recognised as intangible assets. These direct costs include the staff costs for the computer program developers and a suitable portion of related overheads.

The cost is amortised on a straight-line basis over a period of four years from the time the software has been in use. Computer software maintenance costs are recognised as an expense for the year in which they are incurred.

c) Patents, licenses, brands and others

This heading includes the amount paid for the title to or the right to use the different forms of the intellectual property. They have a finite useful life and are amortised on a straight-line basis over their term.

d) Concession arrangement, regulated asset

Concessions refer to the administrative authorisations granted by various municipal councils for the construction and subsequent operation of car parks and other assets for a period of time stipulated in each agreement. The accounting treatment of these assets has been defined based on the classification of the concession assets as intangible assets measured at fair value (understood to be the value resulting from their construction). Once the concession assets become operational, the proceeds for operating the various concessions are recognised as revenue, the operating expenses are expensed currently, and the intangible assets are amortised on a straight-line basis over the term of the concession. The profitability of the project is reviewed at each year-end to assess whether there is any indication of impairment, i.e., an indication that the value of the assets may not be recoverable through the revenue generated while in use.

Throughout the term of the concession, the concession operator is required to repair and maintain the facilities and to keep them in proper working order. Repair and upkeep expenses are recognised in the income statement. No liabilities were recognised since the present value of the obligation is not significant.

3.2. Property, plant and equipment

Items of property, plant and equipment are recognised at their acquisition cost less any accumulated depreciation and any accumulated losses recognised.

In-house work on property, plant and equipment is calculated by adding the direct or indirect costs attributable to these assets to the acquisition cost of the consumables.

Costs incurred to expand, modernise or improve items of property, plant and equipment that increase the capacity or productivity or extend the useful life of the asset are capitalised as part of the cost of the related asset, provided that it is possible to calculate or estimate the carrying amount of the items derecognised from inventory due to their being replaced.

Major repair costs are capitalised and depreciated over their estimated useful life, while maintenance expenses are charged to the income statement in the year in which they are incurred.

The depreciation of property, plant and equipment (except for land, which is not depreciated) is calculated systematically using the straight-line method, on the basis of their estimated useful life, based on the actual decline in value caused by their use and by wear and tear. The estimated useful lives of the various asset categories are the following:

(Expressed in thousands of Euros)

Classification/Items	Useful life			
Buildings	25	-	50	Years
Plant and machinery	5	-	10	Years
Complex and general fixtures	12	-	17	Years
Furniture and office equipment	3	-	10	Years
Computer hardware			4	Years
Transport equipment			7	Years
Other items of property, plant and equipment	7	-	10	Years

The residual value and useful life 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 (Note 3.4).

Gains and losses on the disposal of property, plant and equipment are calculated by comparing the proceeds from the sale with the carrying amount and are then recognised in the income statement.

3.3. Borrowing costs

Finance costs directly attributable to the acquisition or construction of non-current assets that require more than one year to be ready for use are added to their cost until they become operational.

3.4. Impairment losses to non-financial assets

The Company does not recognise intangible assets with indefinite useful lives on its balance sheet.

At each year-end, the Company reviews the assets subject to amortisation to verify if there is any event or change in circumstances that indicates that the carrying amount may not be recoverable. An impairment loss is recognised for the excess of the carrying amount of the asset over its recoverable amount, which is understood to be the higher of fair value less costs to sell and value in use. For the purposes of assessing impairment losses, assets are grouped together at the lowest level for which there are largely independent cash flows (cash-generating units). For assets that do not generate independent cash flows, the recoverable amount is determined for the cash-generating units to which the asset belongs. Any non-financial assets that have undergone an impairment loss are reviewed on each balance sheet date, to see if their losses have been reversed.

3.5. Financial assets

For measurement purposes, the Company determines the classification of its investments when they are initially recognised and reviews the classification at each reporting date.

The classification depends on the purpose for which the financial assets were acquired, and are measured in accordance the following criteria:

a) Financial assets at amortised cost

This category includes financial assets, including those admitted to trading on an organised market, in which the Company holds the investment with the objective of receiving cash flows from the performance of the contract, and the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding.

Contractual cash flows that are solely collections of principal and interest on the principal amount outstanding are inherent in an arrangement that is in the nature of a regular or ordinary loan, regardless of whether the transaction is arranged at a zero or below-market interest rate.

This category includes trade receivables and non-trade receivables:

a) Trade receivables: includes those financial assets arising from the sale of goods and provision of services in the ordinary course of the Company’s business for which collection is deferred.

b) Non-trade receivables are financial assets that are not equity instruments or derivatives, are not of commercial origin and whose collections are of a determined or determinable amount arising from loans or credits granted by the company.

Initial recognition: The financial assets classified in this category are initially recognised at fair value, which, in the absence of evidence to the contrary, will be the transaction price and is equal to the fair value of the consideration paid plus any directly attributable transaction costs.

However, trade receivables maturing within one year that do not have an explicit contractual interest rate, and advances and loans to employees, dividends receivable and capital calls expected to be collected in the short term, are measured at nominal value to the extent that the effect of not discounting cash flows is deemed not to be material.

Subsequent appraisal: The financial liabilities included in this category will be measured at their amortised cost. The interest accrued will be recognised in the income statement using the effective interest method.

However, receivables maturing within one year which, in accordance with that stated in the previous section, are initially measured at their nominal value, continue to be measured at this amount, unless there was a decline in their value.

When the contractual cash flows of a financial asset change due to the issuer's financial difficulties, the company assesses whether an impairment loss should be recognised.

Impairment losses: The necessary valuation adjustments are made at least at the balance sheet date and whenever there is objective evidence that a financial asset, or a group of financial assets with similar risk characteristics measured collectively, is impaired as a result of one or more events that occurred after its initial recognition and that lead to a reduction or delay in the estimated future cash flows, which may be caused by the insolvency of the debtor.

In general, the impairment loss on these financial assets is the difference between their carrying amount and the present value of future cash flows, including, where applicable, those from the enforcement of collateral and personal guarantees, estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition. For the financial assets subject to a variable interest rate, the effective interest rate at the closing date of the financial statements is used in accordance with the contractual conditions.

The value adjustments for impairment, and their reversal when the amount of this loss diminishes as a result of a subsequent event, are recognised as income or expense, respectively, in the income statement. The reversal of impairment will be limited to the carrying amount of the asset recognised at the reversal date had the impairment of the amount not been recognised.

b) Financial assets at cost

In any case, these measurement categories include:

a) Equity investments in Group companies, jointly controlled entities and associates.

b) Other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or cannot be reliably estimated, and the derivatives underlying these investments.

c) hybrid financial assets whose fair value cannot be reliably estimated, unless they qualify for recognition at amortised cost.

d) Contributions made as a result of a joint venture and similar agreements.

e) Participative loans whose interest is contingent either because a fixed or variable interest rate is agreed to be payable on the achievement of a milestone in the borrower's business (e.g. the achievement of profits) or because it is calculated solely by reference to the performance of the borrower's business.

f) Am other financial asset that is initially classified in the fair value through profit or loss portfolio when it is not possible to obtain a reliable estimate of its fair value.

The investments included in this category are initially measured at cost, which is equal to the fair value of the consideration given plus any directly attributable transaction costs, with the latter not being included in the cost of the investments in Group companies.

However, in cases where an investment exists prior to its classification as a group company, jointly controlled entity or associate, the cost of this investment is considered to be the carrying amount that it should have had immediately before the company was classified as such.

The amount of any pre-emption and similar rights that, if applicable, have been acquired will form part of the initial measurement.

Subsequent appraisal: After they have been initially recognised, the equity instruments included in this category are valued at their cost less, where appropriate, the accumulated amount of the valuation adjustments for impairment.

When a value must be assigned to these assets due to de-recognition from the balance sheet or for another reason, the average weighted cost by homogeneous group is applied, deemed to be the securities which have equal rights.

In the case of the sale of pre-emption and similar rights, or the segregation of these rights in order to exercise them, the cost of the rights will reduce the carrying amount of the respective assets.

The contributions made as a result of a joint accounts agreement and similar agreements will be measured at cost, increased or reduced by the profit or loss respectively, corresponding to the Company as non-managing participant, and less, as applicable, the cumulative amount of the impairment losses.

The same criterion is applied for participative loans whose interest is contingent either because a fixed or variable interest rate is agreed to be payable on the achievement of a milestone in the borrower's business (e.g. the achievement of profits) or because it is calculated solely by reference to the performance of the borrower's business. If irrevocable fixed interest is agreed in addition to contingent interest, the irrevocable fixed interest is accounted for as finance income on an accruals basis. Transaction costs are allocated to the income statement on a straight-line basis over the life of the participative loan.

Impairment losses: The necessary valuation adjustments are made at least at the reporting date, provided there is objective evidence that the carrying amount of an investment will not recoverable. The impairment losses are calculated as the difference between the carrying amount of the investments and their recoverable amount. Recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment calculated, in the case of equity instruments, either by estimating the cash flows expected to be received as a result of the dividends distributed by the investee and of the disposal or derecognition of the investment or by estimating the share of the cash flows expected to be generated by the investee arising both in the course of its ordinary activities and as a result of the disposal or derecognition of the investment.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the impairment loss on this type of asset is calculated on the basis of the equity of the investee and the unrealised gains existing at the valuation date, net of the tax effect. Provided the investee in turn holds investments in another company, the calculation of this value takes into account the equity included in the financial statements prepared in accordance with the criteria established in the Commercial Code and in the implementing regulations.

Recognition of valuation adjustments for impairment and, where appropriate, their reversal, is recognised as income or expense, respectively, in the income statement. The reversal of impairment will be limited to the carrying amount of the investment recognised at the reversal date had the impairment of the amount not been recognised.

However, if an investment in the company was made prior to its classification as a group company, jointly controlled entity or associate and, prior to that classification, valuation adjustments were made and recognised directly in equity in respect of that investment, those adjustments are retained after classification until the investment is disposed of or derecognised, at which time they are recognised in the income statement, or until the following circumstances occur:

a) In the case of prior valuation adjustments as a result of increases in value, impairment losses will be recognised against the equity item that includes the valuation adjustments previously made up to the amount of these adjustments and any excess is recognised in the income statement. The impairment loss recognised directly in equity is not reversed.

b) In the case of prior valuation adjustments as a result of reductions in value, when the recoverable amount is subsequently greater than the carrying amount of the investments, the latter is increased up to the limit of the indicated reduction in value, in the line item that included the prior valuation adjustments, and the new amount obtained is then considered the cost of the investment. However, when there is objective evidence of impairment in the value of the investment, the accumulated losses are recognised directly in equity on the income statement.

Assets designated as hedged items are subject to the measurement requirements for hedge accounting (Note 3.11).

c) Financial assets at fair value through profit or loss

This category includes equity instruments that are not held for trading or that must be measured at cost, and on which the irrevocable choice was made at the time of their initial recognition to present subsequent changes in fair value directly in equity.

They also include those financial assets designated, at the time of initial recognition, irrevocably measured at fair value through profit and loss, and otherwise included in another category, to eliminate or significantly reduce an inconsistency in measurement or accounting misrepresentation that would arise in another case from the measurement of assets or liabilities on different bases.

Initial recognition: Financial liabilities are initially measured at fair value which, unless proven otherwise, is the transaction price, which is equivalent to the fair value of the consideration received. Directly attributable transaction costs are recognised in the consolidated income statement.

Subsequent appraisal: After initial recognition, the Company will measure the financial assets included in this category at fair value through profit and loss.

Any payments arising from the enforcement of guarantees on first demand are recognised as financial assets at fair value, to the extent that it is considered probable future profits will be obtained once the arbitration is settled. In any case, the financial asset is periodically tested for impairment when there are indications that it may not be recoverable, taking into account, in any case, the customer's risk.

3.6. Inventories

"Inventories" includes the parking spaces available for sale, which are initially measured at acquisition cost and subsequently at the lower of cost and net realisable value.

3.7. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits in banks and other short-term highly liquid investments originally maturing within three months or less that are not subject to significant changes in value. Bank overdrafts are classified as borrowings under current liabilities on the balance sheet. At 31 December 2024 and 2023, the Company had no bank overdrafts.

3.8. Equity

Share capital is represented by ordinary shares.

The costs of issuing new shares or options are recognised directly against equity, as a reduction in reserves.

If the Company acquires any treasury shares, the consideration paid, including any directly attributable incremental cost, is deducted from equity until their redemption, re-issue or disposal. When these shares are sold or are later re-issued, any proceeds received, net of any directly attributable incremental cost of the transactions, is included in equity.

3.9. Financial liabilities

Financial liabilities will be classified for measurement purposes into one of the following categories:

Financial liabilities at amortised cost

In general, this category includes trade payables and non-trade payables:

a) Trade payables are financial liabilities arising from the purchase of goods and services in the ordinary course of the company's business with deferred payment; and

b) Non-trade payables are financial liabilities that are not derivative instruments, did not arise from trade transactions, and arose from loans or credits received by the company.

Participative loans that have the characteristics of an ordinary or common loan are also included in this category without prejudice to the agreed interest rate (zero or below market).

Financial liabilities included in this category are initially measured at fair value, which is the transaction price, which is the fair value of the consideration received adjusted for directly attributable transaction costs.

However, trade payables maturing within one year where there is no contractual interest rate, and capital calls receivable from third parties on holdings that are expected to be paid in the short term, are measured at their nominal value when the effect of not discounting cash flows is not material.

The financial liabilities included in this category are subsequently measured at their amortised cost. The interest accrued is recognised in the income statement using the effective interest method.

However, payables maturing within one year that are initially measured at their nominal value will continue to be measured at this amount.

3.10. Grants received

Refundable government grants are recognised at fair value when there is reasonable assurance that the grant will be received and the Company will comply with all conditions established.

Grants related to the acquisition of property, plant and equipment or intangible assets are included under non-current liabilities as deferred government grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

3.11. Financial derivatives and accounting hedges

Financial derivatives are measured both initially and in subsequent valuations at their fair value. Resulting gains and losses are recognised depending on whether or not the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

The Company designates certain derivatives as cash flow hedges. At the inception of the hedge, the Company documents the relationship between the hedging instruments and the hedged items, as well as its risk management objective and the strategy for undertaking various hedging transactions.

The effective portion of changes in the fair value of the derivatives designated and qualifying as cash flow hedges is temporarily recognised as equity. The gain or loss relating to the ineffective portion is recognised immediately in financial profit or loss in the income statement. The cumulative balance under equity is transferred to the income statement in the year in which the hedged transaction affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred and are included in the cost of the asset when it is acquired or the liability when it is assumed.

However, if it is no longer probable that this transaction will take place, any cumulative gains or losses recognised under equity are immediately transferred to the income statement.

For derivative financial instruments not designated as hedging instruments or that do not qualify to be designated as such, any changes in fair value at each measurement date are recognised as finance income or costs in the income statement.

3.12. Current and deferred taxes

Expenditures (income) for income tax is the amount accrued for this item. It is accrued in the fiscal year and includes both the amount outlaid (received) for current taxes and the amount for deferred taxes.

Both the current and the deferred tax expense (income) are recognised in the income statement. However, the tax effect related to items that are recognised directly in equity is likewise recognised in equity.

Current tax assets and liabilities are measured at the amount expected to be paid to or recovered from the tax authorities, in accordance with the law in force at the reporting date. The deferred tax assets and liabilities are measured without taking into account the effect of the financial discount.

Deferred taxes are calculated, in accordance with the balance sheet liability method, based on the temporary differences that arise between the tax bases of the assets and liabilities and their carrying amounts.

Deferred tax assets are recognised to the extent that it is considered probable that future taxable profit will be available against which the temporary differences can be offset.

However, deferred taxes are not recognised if they arise from the initial recognition of an asset or liability in a transaction other than a business combination, which at the time of the transaction affects neither accounting profit (loss) nor taxable profit (tax loss).

Deferred tax is determined by applying regulations and tax rates that have been approved or are about to be approved at the time of the statement date, and which are expected to be applicable when the corresponding deferred tax asset is registered or when the deferred tax liability is paid.

Técnicas Reunidas, S.A. files consolidated tax returns with certain companies of the Company (see Note 20).

Pillar Two

On 20 December 2021, the OECD published the Pillar Two Model Rules.

These rules establish a system of supplementary taxation that brings the minimum effective tax rate to 15% in jurisdictions where multinational groups have a presence.

In May 2023, the IASB published an amendment to IAS 12 to clarify the accounting treatment arising from tax laws enacted or substantively enacted to implement Pillar Two. This amendment establishes the following:

- A mandatory temporary exception from the recognition of deferred taxes arising from the implementation of Pillar Two.
- Separate disclosure of the current supplementary tax, if any, arising as a result of Pillar Two, once the law is effective.
- For those years where the above law is not yet effective, qualitative and quantitative information must be disclosed to enable users to understand the company's exposure to taxes that may arise from Pillar Two and/or the company's progress in implementing the rules.

Note 20 provides the disclosures on the Company's expected exposure arising from this new regulation.

3.13. Employee benefits

Termination benefits

Termination benefits are paid to employees as a result of the decision taken by the Company to terminate their employment contract before the employee's normal retirement age, or when the employee voluntarily agrees to resign in exchange for such compensation. The Company recognises these benefits when it is demonstrably committed to terminate the employment of current employees in accordance with a detailed formal plan that cannot be withdrawn, or to provide termination benefits as a result of an offer made to encourage voluntary termination. Termination benefits that will not be paid within 12 months of the reporting date are discounted to their present value.

Bonus plans

The Company recognises a provision when it is contractually required to do so.

Share rights remuneration plans

These plans are settled in cash and recognised over the period in which the employee provides service to the Company at fair value at the date on which the requirements for recognition are met.

Subsequently, until the settlement date, the related liability is measured at fair value at the end of each year, and any change in value arising in the year is taken to the income statement.

3.14. Provisions and contingent liabilities

The Company recognises provisions when it has a present obligation (legal or constructive) as a result of past events, it is more likely than not that an outlay of resources will be needed to settle the obligation and when the amount can be reliably estimated. No provisions are recognised for future operating losses, although they are recognised for estimated losses from engineering contracts.

Provisions are recognised at the best estimate of the liability to be settled by the Company, taking into account the effects of exchange rate fluctuations, for those amounts denominated in foreign currency, and the time value of money, if the effect is significant.

On the other hand, contingent liabilities are considered to be any obligations arising from past events, the occurrence of which is conditional upon whether one or more future events occur that are beyond the Company's control. These contingent liabilities are not recognised for accounting purposes, but rather are disclosed in Note 23.

3.15. Revenue recognition

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 Company's business activities. Revenue is presented net of value added tax, returns, rebates and discounts, and after having excluded sales within the Company. The Company recognises revenue when the amount thereof can be reliably measured, when it is probable that the future economic benefits will flow to the Company and when the specific conditions for each of the activities are met, as detailed below. In most projects under implementation, irrespective of the legal form of the contract, there is only one obligation towards the client. The amount of revenue cannot be reliably determined until all contingencies related to the sale have been resolved. The Company bases its estimates on past results, taking into account the type of customer, type of transaction and specific terms of each agreement.

Service agreements

Revenue from the rendering of services under service agreements is recognised in the financial year in which the services are provided by reference to the stage of completion of the actual service provided. The price payable by the end customer consists of the direct costs incurred, to which a fixed margin is applied for indirect costs and industrial profit.

Turnkey engineering contracts

When the outcome of a contract cannot be reliably estimated, contract revenue is only recognised to the extent of the contract costs incurred that are likely to be recoverable.

When the outcome of a contract can be reliably estimated and it is probable that the contract will be profitable, contract revenue is recognised over the term of the contract. The method for recognising revenue for turnkey engineering contracts varies depending on the estimated outcome of the contract. When it is probable that contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense. However, profit is recognised over the term of the contract and based on the stage of completion of the project.

The Company uses the percentage of completion method to calculate the amount to be recognised in a given accounting period. 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 tasks and costs for each contract.

The Company recognises an account receivable for the gross amount owed by customers for work performed under all contracts in progress for which the costs incurred plus the recognised profits (less recognised losses) exceed the amount of progress billings. Progress billings outstanding and withholdings are included in trade and other receivables.

The cash flows from the projects may not be directly related to when the obligations are fulfilled, but rather follow schedules for sending invoices and collecting payment contractually agreed with the customer for each project. These schedules vary for each contract and are generally associated with the fulfilment of the milestones set out in the contract, with key milestones being the delivery of the engineering, receipt of the equipment on site, construction certificates from the customer and final acceptance of the plants. The financial impact of this transaction is, in any case, not significant.

The Company recognises a liability for the gross amount owed to customers for work performed under all contracts in progress for which the progress billings exceed the costs incurred plus the recognised profits (less recognised losses).

The Company occasionally negotiates and signs two or more contracts with the same customer. They are usually contracts in which the cost and turnaround times of one affect the terms of the other, in addition to being performed simultaneously or having part of the term of each contract overlap and being carried out in the same industrial area. In these cases, the Company treats them as a single contract.

At other times, a single contract may have clearly differentiated parts with different budgets signed with the same customer. In these types of agreements, the customer benefits from each part of the contract, and the

Company has different performance obligations. If the income and costs of the different parts can be clearly identified, each part is treated separately.

Given the nature of the business activity, contracts are often modified while in progress due to changes in the scope of the work that needs to be carried out under the terms of the contract. A change may lead to an increase or a decrease in contract revenue. Changes are recognised as increases in the value of the contract when it is likely that the customer will approve the change in scope and the resulting price increase and when the amount of the additional income can be reliably calculated.

Likewise, claims may arise in the performance of the contracts that the contractor seeks to collect from the customer or another party as reimbursement for costs not included in the contract price. The grounds for these claims are related to and supported by the clauses of the contract or situations of force majeure. Income from contracts arising from claims is included as contract revenue when negotiations have reached an advanced stage and, therefore, it is sufficiently certain that the customer will approve the change and it is likely that the Company will receive the additional income. When evaluating the probability of a claim being successful, in addition to the technical analysis of each case, past experience in situations that are similar either because of their nature or the counterparty involved are also analysed, as well as the communications with the customer in relation to the case.

Depending on the types of projects in the portfolio, negotiations with customers regarding claims may go on during the entire life of the project.

Concession arrangements

Revenue from concession-related activities is recognised based on the services rendered at the contractually agreed prices.

Dividend income

Dividend income is recognised as income in the income statement when the right to receive payment for it is established. However, if the dividends distributed are generated from profits earned before the acquisition date, they are not recognised as income, but rather reduce the carrying amount of the investment.

Interest income

Interest income is recognised using the effective interest method. When an account receivable suffers an impairment loss, the Company reduces its carrying amount to its recoverable value, reducing the estimated future cash flows at the instrument's original effective interest rate, and the reduction is carried over as reduced interest revenue. Interest income from loans that have become impaired is recognised using the effective interest method.

3.16. Recognition of the stage of completion of liabilities

The Company uses the percentage of completion method to calculate the amount to be recognised in a given accounting period. 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 tasks and costs for each contract.

In assessing the tasks effectively carried out at the balance sheet date, 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 progress of the project is calculated by taking into account all the costs incurred in accordance with the above criteria out of the total project costs, and the amount of the costs are adjusted depending on the progress of the project.
This measurement method is aligned with the way in which the projects are managed and monitored and provides the best representation of the transfer of goods and services. The risk of contract termination is remote based on the Company’s history.

3.17. Foreign currency transactions

Functional and presentational currency

The Company's financial statements are presented in thousands of Euros. The Company's functional currency and that in which it expresses its financial statements is the euro.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Profits and losses in foreign currencies that are the result of settling these transactions and converting their currency at the closing rate of the monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except where they differ in net assets, such as qualified cash hedges or qualified net investment hedges.

3.18. Leases

Financial leases

Leases of property, plant and equipment in which the Company is the lessee and has substantially all the risks and rewards arising from ownership of the assets are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. To calculate the current value, the implicit interest rate from the contract is used, but if this rate cannot be determined, the interest rate the Company uses for similar transactions is used.

Each lease payment is distributed between reducing the debt and the finance charges. The total finance charges are distributed over the term of the lease and are allocated to the income statement for the year in which they are incurred. The payment obligation arising from the lease, net of finance charges, is recognised under non-current payables, except for the portion falling due within 12 months. Items of property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

Operating leases

Leases in which the lessor substantially retains the risks and rewards arising from ownership of the asset are classified as operating leases. In operating leases where the Company is the lessee, the payments made (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the term of the lease.

3.19. Group companies and associates

For the purposes of presenting the financial statements, a company will be considered to form part of the Group when both are related by a relationship of control. Control is presumed to exist when the ownership interest exceeds half of the voting rights or, if less, when other reasons or events demonstrate the existence of control (for example, shareholder agreements).

Associates are all entities over which the Company exercises significant influence but not control. Significant influence is presumed to exist when the ownership interest is between 20% and 50% of the voting rights or, when the interest is less, there are events and circumstances that demonstrate significant influence is exercised.

3.20. Joint ventures – Unincorporated joint ventures (UTEs) and consortiums

The Company has interests in a series of UTEs (see Appendix I). The Company recognises its proportional share of the jointly controlled assets and the jointly incurred liabilities in proportion to the percentage of ownership, as well as the assets assigned to the joint operation that are under its control and the liabilities incurred as a result of the joint venture.

It also recognises in the income statement its share of the income earned and expenses incurred by the joint venture. In addition, the expenses incurred in relation to the ownership interest of the joint venture are recognised.

Unrealised gains or losses arising from reciprocal transactions are eliminated in proportion to the ownership interest, as well as the amounts of assets, liabilities, income, expenses and reciprocal cash flows.

None of the UTEs use accounting policies that differ from those applied by the Company.

Ownership interest in jointly controlled entities is recognised in accordance with the provisions for equity investments in Group companies, jointly controlled entities and associates (Note 3.5).

3.21. Business combinations

In the case of business combinations arising as a result of the acquisition of shares or equity interests in the share capital of a company, the Company recognises the investment in line with that established for equity investments in Group companies, jointly controlled entities and associates (Note 3.5).

3.22. Related party transactions

In general, transactions performed between Group companies are initially recognised at fair value. In the event that the price agreed upon in a transaction differs from its fair value, the difference is recognised in accordance with the economic substance of the transaction. These transactions are subsequently measured in accordance with the corresponding regulations.

3.23. Statement of cash flows

The following terms are used in the statement of cash flows:

- Cash flows: inflows and outflows of cash and cash equivalents (Note 13).

- Cash flows from operating activities: payments and collections from the Company's ordinary activities and other activities that are not investing or financing activities.

- Cash flows from investing activities: payments and collections that arise from acquisitions and disposals of non-current assets.

- Cash flows from financing activities: payments and collections from the placement and settlement of financial liabilities, equity instruments or dividends.

4. Financial risk management

4.1. Financial risk factors

The Company's activities are exposed to several financial risks: market risk (including foreign currency risk, price risk and interest rate risk). The Company's global risk management programme focuses on the uncertainty of the financial markets and aims to minimise potential adverse effects on its financial returns. The Company uses derivative financial instruments to hedge certain risk exposure.

Risk management is carried out by the Company's Finance Department, Business Units and Corporate Treasury Department in accordance with policies approved by the Company's Board of Directors and supervised by the Audit and Control Committee. This Department identifies, assesses and hedges financial risks in close cooperation with the Company's operating units.

a) Market risk

a.1) Exchange rate risk

The Company operates in the international market and, therefore, is exposed to foreign currency risk on the transactions it performs in foreign currencies, particularly the US Dollar (USD) and, to a lesser extent, currencies tied to the USD. There is residual exposure to suppliers operating in other currencies (mainly Japanese Yen, Canadian Dollars, Saudi Rials, Turkish Lire, Malaysian Ringgits, Peruvian Soles, Mexican Pesos, Singaporean

(Expressed in thousands of Euros)

Dollars, Polish Złoty, Qatari Ryial, Bahraini Dinars, Omani Rials and Kuwaiti Dinars). Foreign currency risk arises mainly from future commercial transactions and recognised assets and liabilities.

In accordance with the hedging policy established, the Company uses forward contracts, negotiated by the Company's Treasury Department, to hedge the foreign currency risk arising from future commercial transactions and recognised assets and liabilities. Foreign currency risk arises when the future commercial transactions and recognised assets and liabilities are denominated in a currency other than the Company's functional currency. The Company's Treasury Department is responsible for managing the net position in each foreign currency using external foreign currency forward contracts (also taking into account the risks arising from currencies tied to the USD, where the hedge arranged protects the USD risk). In addition, the Company tries to hedge foreign currency risk via 'multicurrency' contracts with its customers, separating the sale price in the various currencies from the foreseen expenses and preserving the projected margins in Euros.

The Company's risk management policy is based on hedging a portion of the most highly probable forecast transactions, for ongoing projects, in each of the main currencies during the months the project is scheduled to be carried out. For each new project contracted with foreign currency risk, the percentage of risk to be hedged in relation to projected sales in each of the main currencies varies by project. These hedges are classified as highly probable forecast transactions for hedge accounting purposes.

The nature of the Company's business operations means that it is very common to contract transactions with customers in US Dollars, while the corresponding costs are usually denominated in multiple currencies, albeit mainly USD. If at 31 December 2024 the euro had appreciated / depreciated against the US Dollar by a hypothetical 10%, leaving all other variables constant, profit before tax for the year would have been EUR 18,909 thousand higher / lower (2023: EUR 19,865 thousand higher / lower), mainly due to the gains / losses generated on the appreciation / depreciation of positions in US Dollars.

If the euro had appreciated / depreciated against the US Dollar by a hypothetical 10%, equity would have been EUR 68,504 thousand higher / lower in the year ended 31 December 2024 (2023: EUR 66,708 thousand higher / lower); these amounts were calculated based on the changes in profits outlined in the paragraph above and the estimated changes in value of the hedging derivatives recognised in the equity reserve (all before considering the related tax effect).

This effect would occur as long as the variation in the USD compared to the EUR took place within a period of less than 140 days (2023: 139 days), since that is the average maturity at which the hedging transactions are arranged.

Accordingly, the Company has various investments in foreign operations, the net assets of which are exposed to foreign currency risk. In general, the Company's policy is to finance its 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 absolute value of the balances of the principal exposures in foreign currency as a result of equity investments in foreign operations:

	Thousands of Euros	
	2024	**2023**
Saudi Riyal	256,851	235,556
Turkish Lira	26,443	14,029
Peruvian Sol	24,950	43,106
Mexican Peso	24,863	49,685

a.2) Price risk

The Company is exposed to price risk with regard to equity securities. Exposure to price risk on account of the investments held by the Company and classified in the balance sheet at fair value through profit or loss is limited because they correspond primarily to fixed-income investment funds that invest in very short-term assets (assets maturing in less than six months and not exposed to interest rate risk).

The Company is partially exposed to commodity price risk, basically tied to metals and oil, to the extent that they affect the price of the equipment supplied and materials used in the construction projects. As a general rule, all peer contractors operating in the sector effectively pass on these impacts in sales prices.

(Expressed in thousands of Euros)

The Company reduces and mitigates price risk through the policies established by the Company's Corporate Management, which basically consist of accelerating or slowing the rate of placements and selecting the currencies and countries of origin. An additional mechanism used to mitigate this risk consists of using contracting models that allow a portion of the price to be allocated to cover possible cost deviations, and of purchasing derivatives.

a.3) Cash flow and fair value interest rate risk

The Company endeavours to self-finance its projects, establishing invoicing and collection milestones with customers that cover the payment deadlines undertaken with suppliers. However, the Company has debt instruments to cover its operational requirements, with a mix of fixed and floating rates. As part of the policy of prudence and control of interest rate risk and the impact that interest rate fluctuations may have on the consolidated income statement, there are fixed rate debt instruments amounting to EUR 415,155 thousand (2023: EUR 428,295 thousand).

The exposure to variable interest rate risk at the reporting date is as follows:

	Thousands of Euros					
	2024			2023		
	Tied to Euribor	Other reference rates	Total	Tied to Euribor	Other reference rates	Total
Participative loan	(175,000)	-	(175,000)	(175,000)	-	(175,000)
Variable rate borrowings	(209,415)	-	(209,415)	(257,604)		(257,604)
Interest-earning cash and cash equivalents	304,938	449,412	754,350	402,954	242,764	645,718
	(79,477)	**449,412**	**369,935**	**(29,650)**	**242,764**	**213,114**

The amount of interest-earning cash and cash equivalents corresponding to "Other references" is mainly denominated in USD.

Based on the sensitivity analyses performed on cash and cash equivalents, the impact on profit of a 25 basis point fluctuation in interest rates would imply, at most, an increase / decrease of EUR 1,124 thousand (2023: EUR 2,042 thousand).

In the case of variable rate borrowings, a 10 basis point fluctuation up or down in the interest rate would have an impact on profit or loss of a decrease/increase of EUR 366 thousand. (2023: EUR 413 thousand).

In short, the Company continues to manage cash flow interest rate risk at a global level, with a solid cash position in Euros and mostly in Dollars, and continues to reduce its overall debt levels, maintaining a balanced percentage of fixed rate debt with respect to variable rate debt, in line with prudent cash management.

b) Credit risk

Credit risk is managed by the Company taking into account the following groups of financial assets:

- Assets arising from derivative financial instruments (Note 10) and sundry balances, including cash and cash equivalents (Note 13).
- Balances related to financial assets at amortised cost (Note 9).

Derivative financial instruments and transactions with financial institutions included as cash and cash equivalents are arranged with financial institutions of renowned prestige.

In relation to trade and other receivables, it is worth mentioning that, due to the nature of the business, there is a high concentration based on the Company's most significant projects. These counterparties are generally state-owned or multinational oil companies, along with major Spanish energy groups.

(Expressed in thousands of Euros)

The main customers represented 82% of the total recognised under “Trade receivables” (included under “Trade and other receivables”) at 31 December 2024 (2023: 86%), and are tied to transactions with the above entities. Therefore, the Company considers credit risk to be very low.

c) Liquidity risk

Prudent management of liquidity risk entails the maintenance of sufficient cash and marketable securities, availability of financing through a sufficient amount of committed debt instruments and the capacity to settle market positions.

The trend in customer contracts, which include tighter cash flows, has led the Company to optimise its financing lines.

Management monitors the Company’s projected liquidity reserve on the basis of expected cash flows. In addition, the Company has debt instruments that offer an additional liquidity buffer.

Therefore, the Company’s liquidity risk is considered to be appropriately managed.

The following is a breakdown of relevant liquidity information (calculated in accordance with the covenant compliance requirements, according to which the participative loan is not included in the calculation of the net cash ratio):

	Thousands of Euros	
	2024	**2023**
Non-current bank borrowings (Note 18)*	(624,570)	(685,900)
Cash and cash equivalents (Note 13)	754,350	645,718
Net cash	**129,780**	**(40,182)**
Undrawn credit facilities and other loans (Note 18)**	50,000	8,248
Total liquidity reserves	**179,780**	**(31,934)**

* This amount does not include the participative loan.

** This amount does not include the unused amount of the limits in the MARF amounting to EUR 172 million and EUR 177 million at the end of 2024 and 2023, respectively.

The two signed syndicated credit facilities, and the private placement in Spain, the placement on the German promissory note market, and the placement of MARF bonds on the market underwritten by the Company in force at the date of authorisation for issue of these financial statements, with the total amount drawn down standing at EUR 215.2 million (2023: EUR 336 million), require, among other requirements, that the consolidated net financial debt/EBITDA ratio be less than or equal to 2.5 (syndicated loans)/3 for other financial borrowings, as described here (for compliance with the Group’s covenants, see Note 18).

In addition, the two syndicated credit facilities limit the distribution of profits to 50% of consolidated net profit for 2024.

For 2025, the directors consider that, at the date of authorisation for issue of these financial statements, the Company is in a position to comply with the financial ratios included in the clauses of all its finance agreements.

(Expressed in thousands of Euros)

The table below shows an analysis of the financial liabilities, grouped by maturities, in accordance with the remaining periods at the 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.

	Thousands of Euros			
	Within one year	From 1 to 2 years	From 2 to 5 years	More than 5 years
At 31 December 2024				
Participative loans (Note 18)	-	175,000	-	-
Borrowings (Note 18)	284,001	268,055	72,514	-
Derivative financial instruments (Note 10)	42,257	846	-	-
Trade and other payables (Note 18)	2,295,936	-	-	-
Total	**2,622,194**	**443,901**	**72,514**	**-**
At 31 December 2023				
Participative loans (Note 18)	-	-	175,000	-
Borrowings (Note 18)	305,141	277,968	102,790	-
Derivative financial instruments (Note 10)	1,048	-	-	-
Trade and other payables (Note 18)	2,133,016	-	-	-
Total	**2,439,205**	**277,968**	**277,790**	**-**

As expected by the Company, business and operating cash flows in 2024 developed in line with the expectations of the directors. The Company used part of its operating cash flows to reduce its financial borrowings, which resulted in an improvement in the Company's financial position. It also certified change orders and claims in 2024 that were under negotiation, which has contributed to stabilising cash flows from operating activities.

4.2. Capital risk management

The Company's objectives in relation to managing capital are based on guaranteeing its commercial activity, offering our customers and potential customers sufficient capital to guarantee our ability to handle the needs of their current and future projects.

The Company monitors capital on the basis of the leverage ratios set out below. The leverage ratio is calculated dividing financial debt by equity. The debt is calculated as the total financial debt (as calculated for the purpose of compliance with covenants). Equity is the amount shown in the financial statements. The ratio of net cash (calculated in accordance with the covenant compliance requirements, which do not include the participative loan) to net equity is also determined.

	Thousands of Euros	
	2024	2023
Borrowings (Note 18)*	(624,570)	(685,900)
Net cash	129,780	(40,182)
Equity	**669,278**	**500,580**
% Borrowings / Equity	**93%**	**137%**
% Net cash/Equity	**19%**	**-8%**

* This amount does not include the participative loan

(Expressed in thousands of Euros)

The effect in 2024 taking into consideration the participative loan as part of equity for commercial purposes and the net cash for covenants purposes is as follows:

	Thousands of Euros	
	2024	**2023**
Borrowings (Note 18)*	(624,570)	(685,900)
Net cash	129,780	(40,182)
Commercial equity	**844,278**	**675,580**
% Borrowings / Commercial Equity	**74%**	**102%**
% Net cash/Equity	**15%**	**-6%**

* This amount does not include the participative loan

4.3. Estimate of fair value

The table below includes an analysis of the financial instruments, classified by valuation method, that are measured at fair value.

The various levels are defined as follows:

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

The following table presents the Company's assets and liabilities measured at fair value at 31 December 2024 and 2023.

	Thousands of Euros			
At 31 December 2024	**Level 1**	**Level 2**	**Level 3**	**Total balance**
Assets				
Financial assets at fair value through profit or loss	197	-	-	197
Hedging derivatives (Note 10)	-	8,223	-	8,223
Total assets	**197**	**8,223**	**-**	**8,223**
Liabilities				
Hedging derivatives (Note 10)	-	43,103	-	43,103
Total liabilities	**-**	**43,103**	**-**	**43,103**
At 31 December 2023	**Level 1**	**Level 2**	**Level 3**	**Total balance**
Assets				
Financial assets at fair value through profit or loss (Note 9)	197	-	-	197
Hedging derivatives (Note 10)	-	25,968	-	25,968
Total assets	**197**	**25,968**	**-**	**26,165**
Liabilities				
Hedging derivatives (Note 10)	-	1,047	-	1,047
Total liabilities	**-**	**1,047**	**-**	**1,047**

a) Level 1 financial instruments

The fair value of the financial instruments traded in active markets is based on the market prices at the reporting date. A market is considered to be active if quoted prices are readily and regularly available from a stock exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for the financial assets held by the Company is the current bid price. These instruments are included in level 1.

b) Level 2 financial instruments

The fair value of financial instruments that are not listed on an active market (e.g. OTC derivatives) is determined using valuation techniques. These valuation techniques maximise the use of available observable data inputs and rely as little as possible on entity-specific estimates. If all the significant inputs required to calculate an instrument's fair value are observable, the instrument is included in level 2.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of the interest rate swaps is calculated as the present value of the estimated future cash flows based on estimated interest rate curves.
- The current value of foreign currency futures is determined using the future exchange rates on the balance sheet date, discounted to their present value.
- Other techniques, such as discounted cash flow analysis, are used to determine the fair value of the remaining financial instruments.

There were no transfers between levels in 2024 or 2023.

With regard to financial instruments, credit risk must be included in measurements at fair value, whereby credit risk is understood to be the credit risk of the counterparty and the Company's own credit risk, where applicable.

Due to the nature of the Company's portfolio, the application of credit risk mainly affects the portfolio of financial derivatives designated as cash flow hedges, given that they are measured at fair value.

These instruments are unique in that the expected cash flows are not pre-determined; rather, they vary based on the underlying financial variable, so the determination of the credit risk to be applied, i.e., the Company's own credit risk or that of the counterparty, is not intuitive, but rather depends on market conditions at any given time and must therefore be quantified using measurement models.

The derivatives arranged by the Company relate mainly to currency futures and commodities futures.

Currency forwards consist of the purchase of one currency against the sale of a different currency in which the exchange rate is fixed on the date of the contract to be delivered or settled in the future, starting on the third business day after the contract date.

Commodity forwards consist of the future purchase or sale of a raw material in which the exchange rate is fixed on the date of the contract and that are to be delivered or settled in the future, starting on the third business day after the contract date.

The Company uses hedge accounting for the cases described above, foreign currencies and commodities, and performs effectiveness tests and monitors them on a regular basis to prove compliance with this effectiveness and ensure it is correctly carried over to the financial statements.

The effect of credit risk on the value of currency and commodity forwards will depend on future settlements. If the settlement is favourable for the Company, a credit spread is incorporated for the counterparty to quantify the probability of default upon maturity; otherwise, if the settlement is expected to be negative for the Company, the credit risk is applied to the Company's final settlement. To determine whether or not the settlement of the forwards will be favourable for the Company, a stochastic model is used to simulate the derivative's behaviour in different scenarios using mathematical models that consider the volatility of the underlying asset and applying the resulting credit spread to each simulation.

4.4. Environmental risk management

Sustainability risk management is a fundamental tool for the Técnicas Reunidas Group and is integrated into its business model and the Company's general risk prevention system.

In 2024 the Company completed a full double materiality assessment of its ESG risks, focusing on both their impact and probability of occurrence for the purpose of controlling these risk in the scope of its operations.

This risk assessment has taken into consideration best practices and methodologies at the international level (COSO, WBCSD) and the TCFD recommendations. The ESG risk analysis considered multiple external and internal risks corresponding to the Company's main areas of activity (i.e. HSE, Secretariat of the Board-Sustainability, Human Resources, Procurement and Construction, Energy Transition, Compliance, Insurance).

The main pillars of the Company's sustainability model are the Sustainability Policy and the Sustainability Plan.

The Group is well positioned overall and consistently demonstrates leadership as regards climate change, diversification of its activities and adaptation to new trends. This enables the Group to adapt to the opportunities that will arise from increased regulatory pressure on environmental issues, as it has the technology and solutions to help its customers meet these growing environmental demands.

In particular, this diversification of activities focuses on working with customers to make environmental improvements to their facilities, including natural gas activities, clean fuels, chemical products, low-carbon technology (hydrogen, CO_2 sequestration and capture, circular economy and bioproducts) and, therefore, the reduction of greenhouse gas emissions.

Regarding the Group's position in the fight against climate change, this year, within the framework of the Sustainability Plan, TR is a member of SBTi, a global initiative that assesses and validates short-term emission reduction targets and long-term climate neutrality targets, both based on science. In addition, the SBTi validated these decarbonisation targets, which include the reduction by 2030 of its scope 1, 2 and 3 emissions by 46.2% compared to the base year 2019 and the Net Zero target for 2040, with specific actions to achieve these targets.

TR is also keenly aware of the potential impact that climate change may have on its business, and in 2024 it developed an in-depth analysis of its climate impacts, risks and opportunities together with the relevant adaptation plan, transparently reporting its climate change performance through participation in initiatives such as the Carbon Disclosure Project (CDP) in which TR has participated for several years.

Finally, the Company obtained a score of 60/100 in its participation in the S&P Global Corporate Sustainability Assessment (CSA), placing it among the companies with the best ESG performance in the industry, and was therefore included in the Standard & Poor's Global Sustainability Yearbook 2025, reserved for the best 10% of companies assessed by S&P. The CSA is an annual assessment of corporate sustainability practices, including environmental sustainability, based on a methodology that focuses on both industry-specific and financially meaningful sustainability criteria. More than 7,600 companies worldwide are rated using this assessment.

As regards overall sustainability risk, the Técnicas Reunidas Group has an advanced model for environmental risk management, an activity integrated into the Group's strategy and focused on the environmental requirements of all its activities.

The Group develops products, systems and services with the aim of obtaining energy that is more sustainable, affordable and reliable and that meets current environmental requirements. All projects must comply with climate change initiatives focused on reducing CO_2 emissions and improving the waste management system, focusing on waste reduction from a circular economy perspective. To this end, Técnicas Reunidas has implemented methodologies that ensure the monitoring and verification of environmental information in its projects.

The Group is primarily exposed to energy transition risks, in particularly those that depend on regulatory developments that could have an impact on various clients. An increasingly demanding regulatory environment, which can translate into significant reputational risk at the corporate level.

In addition, the Group is also exposed to physical risks, particularly the geographic location of some clients, which are subject to extreme temperatures (for example, the Middle East, and Canada), which can lead to changes in working conditions during the performance of projects. In addition, the assets built by the Group on behalf of its customers, the ultimate owners of these assets, may have a high environmental impact due to the type of activity they carry out. However, the Group uses the best engineering and construction procedures, and promotes the best technologies to be implemented on a case-by-case basis.

(Expressed in thousands of Euros)

Accordingly, in 2024 the Company had a circular economy strategy within the framework of the Company's Sustainability Policy, and it has an internal multidisciplinary group to ensure its implementation in projects, and various energy efficiency measures have been developed at its offices, such as using smart systems and conducting employee awareness campaigns.

5. Intangible assets

The details of and changes in the items included under intangible assets are as follows:

	Thousands of Euros			
	Concession arrangement, regulated asset	**Patents, licences and trademarks**	**Computer software**	**Total**
Balance at 01/01/2023:				
Cost	74,361	357	2,052	76,770
Accumulated amortisation and impairment	(28,553)	-	(1,344)	(29,897)
Carrying amount	**45,808**	**357**	**708**	**46,873**
Additions	-	-	29	29
Amortisation charge	(1,468)	-	(183)	(1,651)
Other changes in cost	-	-	(7)	(7)
Other changes in amortisation	-	-	6	6
Balance at 31/12/2023:				
Cost	74,361	357	2,074	76,792
Accumulated amortisation and impairment	(30,021)	-	(1,521)	(31,542)
Carrying amount	**44,340**	**357**	**553**	**45,250**
Additions	-	-	422	422
Disposals	-	-	(8)	(8)
Amortisation charge	(1,483)	-	(186)	(1,669)
Derecognition of amortisation	-	-	6	6
Other changes in cost	-	-	8	8
Other changes in amortisation	-	-	(7)	(7)
Balance at 31/12/2024:				
Cost	74,361	357	2,496	77,214
Accumulated amortisation and impairment	(31,504)	-	(1,708)	(33,212)
Carrying amount	**42,857**	**357**	**788**	**44,002**

(Expressed in thousands of Euros)

Concessions

This heading includes the following public service concession arrangements:

Concession	Year completed	Remuneration	Redemption
Alcobendas sports complex	2062	User charges	At end of concession term
Sports complex, car park and public spaces at the La Viña Shopping Centre in San Sebastián de los Reyes	2063	User charges	Period may be extended up to 60 years upon approval by the Municipal Council
Underground car park at Huercal - Overa (Almeria)	2036	User charges	Subject to successive term extensions.

Concession assets are financed by borrowings amounting to EUR 8,184 thousand (2023: EUR 9,892 thousand).

Operating income from operating these concessions amounted to EUR 5,569 thousand in 2024 (2023: EUR 5,675 thousand).

In 2024 and 2023, no finance costs were capitalised and no impairment losses in addition to those already existing were recognised.

Computer software

“Computer software” includes the title to and the right to use computer programs acquired from third parties.

At 31 December 2024, the value of the fully amortised intangible assets on the balance sheet amounted to EUR 734 thousand (2023: EUR 615 thousand) and related mainly to computer software.

(Expressed in thousands of Euros)

6. Property, plant and equipment

The details of and changes in the items included under property, plant and equipment are as follows:

	Thousands of Euros		
	Land and buildings	**Plant and other items of property, plant and equipment**	**Total**
Balance at 01/01/2023:			
Cost	1,429	26,492	27,921
Accumulated depreciation	(363)	(19,927)	(20,290)
Carrying amount	**1,066**	**6,565**	**7,631**
Additions	6,645	4,100	10,745
Disposals	(166)	(1,002)	(1,168)
Depreciation charge	(876)	(1,809)	(2,685)
Derecognition of depreciation	63	847	910
Other changes in cost	310	(18)	292
Other changes in depreciation	(40)	4	(36)
Balance at 31/12/2023:			
Cost	8,218	29,572	37,790
Accumulated depreciation	(1,216)	(20,885)	(22,101)
Carrying amount	**7,002**	**8,687**	**15,689**
Additions	47	2,664	2,711
Disposals	-	(171)	(171)
Amortisation charge	(1,818)	(2,221)	(4,039)
Derecognition of depreciation	-	131	131
Other changes in cost	107	223	330
Other changes in depreciation	(26)	(178)	(204)
Balance at 31/12/2024:			
Cost	8,372	32,287	40,659
Accumulated depreciation	(3,060)	(23,153)	(26,213)
Carrying amount	**5,312**	**9,134**	**14,446**

a) Impairment losses

In 2024 and 2023 no impairment losses were recognised or reversed for individual property, plant and equipment.

b) Property, plant and equipment abroad

At 31 December 2024, the carrying amount of the assets located abroad, which relate to plant and other items of property, plant and equipment, amounted to EUR 12,248 thousand (2023: EUR 11,549 thousand) and accumulated depreciation totalled EUR 6,873 thousand (2023: EUR 4,536 thousand).

c) Fully depreciated assets

At 31 December 2024, the cost of the fully depreciated items of property, plant and equipment still in use on the balance sheet amounted to EUR 12,658 thousand (2023: EUR 11,136 thousand).

d) Assets under operational leases

“Outside services” in the income statement includes operating lease expenses corresponding to the lease of offices amounting to EUR 12,384 thousand (2023: EUR 10,516 thousand).

e) Insurance

The Company has taken out several insurance policies to cover the risks to which property, plant and equipment assets are exposed. The cover provided by these policies is considered sufficient.

(Expressed in thousands of Euros)

7. Analysis of financial instruments

7.1 Analysis by category

The carrying amount of each category of financial instruments established in recognition and measurement basis "Financial instruments", except for equity investments in Group companies, jointly controlled entities and associates (Note 8.a), and advances to suppliers and inventories, is as follows:

a) Financial assets:

	Thousands of Euros					
	Non-current financial assets					
	Equity instruments		Derivatives, loans and other		Total	
	2024	2023	2024	2023	2024	2023
Financial assets at amortised cost (Note 9)	-	-	89,390	89,230	89,390	89,230
Financial assets at fair value through profit or loss (Note 9)	197	197	-	-	197	197
Total	**197**	**197**	**89,390**	**89,230**	**89,587**	**89,427**

	Thousands of Euros	
	Short-term loans, derivatives and other	
	2024	2023
Financial assets at amortised cost (Note 9)	2,628,191	2,439,484
Tax receivables	79,442	64,805
Hedging derivatives (Note 10)	8,223	25,968
iTotal	**2,715,856**	**2,530,257**

b) Financial liabilities:

	Thousands of Euros					
	Non-current financial liabilities					
	Bank borrowings		Derivatives, loans and other		Total	
	2024	2023	2024	2023	2024	2023
Financial liabilities at amortised cost or at cost (Note 18)	340,569	380,758	575	740	341,144	381,498
Hedging derivatives (Note 10)	-	-	846	-	846	-
Total	**340,569**	**380,758**	**1,421**	**740**	**341,990**	**381,498**

(Expressed in thousands of Euros)

	Thousands of Euros					
	Current financial liabilities					
	Bank borrowings		Derivatives, loans and other		Total	
	2024	2023	2024	2023	2024	2023
Financial liabilities at amortised cost or at cost (Note 18)	284,001	305,142	2,349,167	2,169,625	2,631,957	2,473,719
Tax payables	-	-	38,666	39,024	38,666	39,024
Hedging derivatives (Note 10)	-	-	42,257	1,047	42,257	1,047
Total	**284,001**	**305,142**	**2,430,090**	**2,209,696**	**2,712,880**	**2,513,790**

In relation to trade and other receivables, a high portion of these balances relate to transactions with private sector customers, and a very significant portion of these balances relate to national and international companies with a high credit rating that do not have a history of default. The global position of trade and other receivables is monitored on an ongoing basis, while the most significant exposures are monitored at an individual level and, therefore, the Company considers credit risk to be very low.

'Other non-current financial assets' includes mainly the amounts transferred to customers as security for compliance with any obligations that may arise from the outcome of lawsuits. The Company includes the estimated probable cost that could arise from the outcome of the above lawsuits under "Non-current provisions".

8. Investments in Group companies, jointly controlled entities and associates

This heading includes the investments in Group companies, jointly controlled entities and associates, the changes in which in the years ended 31 December 2024 and 2023 were as follows:

	Thousands of Euros			
	1 January 2024	Additions	Disposals	31 December 2024
Investments in Group companies, jointly controlled entities and associates	631,752	103,313	(16,271)	718,794
Unpaid capital	(66)	-	-	(66)
Impairment of investments	(451,558)	(90,926)	20,705	(521,779)
Total	**180,128**	**12,387**	**4,434**	**196,949**

	1 January 2023	Additions	Disposals	31 December 2023
Investments in Group companies, jointly controlled entities and associates	684,979	53,044	(106,271)	631,752
Unpaid capital	(1,150)	-	1,084	(66)
Impairment of investments	(350,142)	(198,893)	97,477	(451,558)
Total	**333,687**	**(145,849)**	**(7,710)**	**180,128**

The additions to investments in Group companies, jointly controlled entities and associates in 2024 were due mainly to capital increases in TR Chile (EUR 17,145 thousand), TR Alberta (EUR 29,930 thousand) and TR LLC Duqum (EUR 56,231 thousand). The disposals under this heading in 2024 were due to the liquidation of the investments in TR Portugal (EUR 3,500 thousand) and TR Bolivia (EUR 12,770 thousand), with provisions having been recognised in full for both of them.

The additions in 2023 to investments in Group companies, jointly controlled entities and associates related mainly to the capital increase of TR Duqm Project LLC. (EUR 49,680 thousand).

The disposals of investments in Group companies, jointly controlled entities and associates for 2023 related mainly to the liquidation of the interest in TR Canada INC (EUR 97,576 thousand), and the capital reduction through reimbursement of shareholder contributions of TR Malaysia (EUR 8,686 thousand).

The provision in TR Canada amounting to EUR 96,958 thousand was also derecognised in 2023 as a result of the liquidation of that company.

In 2024 the dividends received on interests in Group companies, jointly controlled entities and associates totalled EUR 5,955 thousand (2023: EUR 79,522 thousand) and are recognised as finance income in the income statement (Note 22). These dividends were collected in cash.

The detail of the investments in Group companies, jointly controlled entities and associates at 31 December 2024 and 2023 is as follows:

TÉCNICAS REUNIDAS, S.A.

NOTES TO THE FINANCIAL STATEMENTS FOR 2024
(Expressed in thousands of Euros)

Investments in Group companies, jointly controlled entities and associates in 2024						Equity			
Company	**Registered office**	**Business activity**	**Direct interest**	**Indirect interest**	**Carrying amount**	**Share capital**	**Reserves**	**Profit/(Loss)**	**Dividends**
Initec Plantas Industriales, S.A.	MADRID	ENGINEERING SERVICES	100.00%	-	124,613	6,600	13,688	50	-
Initec Infraestructuras, S.A.	MADRID	ENGINEERING SERVICES	100.00%	-	5,857	1,800	4,491	-325	-
Técnicas Reunidas Gulf L.T.D.	YEDAH	ENGINEERING SERVICES	100.00%	-	30,376	550	30,930	-22	-
Técnicas Reunidas Chile	CHILE	ENGINEERING SERVICES	48.07%	51.93%	10,035	43,624		-3,801	
TR Global for Engineering	SAUDI ARABIA	ENGINEERING SERVICES	50.00%	-	1,418	1,418	-2,099	-2,098	-
TR Saudi Arabia LLC	JEDDAH	ENGINEERING SERVICES	50.00%	50.00%	-	479	564	-	-
TR Alberta	CANADA	ENGINEERING SERVICES	99.94%	0.06%	-	29,965	5,009	-38,677	-
TR Canadá E&C INC	CANADA	ENGINEERING SERVICES	15.00%	85.00%	5	36	1,308	266	-
TR Saudia for Services and Contracting Co. Limited	AL-KHOBAR	ENGINEERING SERVICES	100.00%	3.00%	-	293,340	-574,251	-4,534	-
TR Engineers India Private LTD	INDIA	ENGINEERING SERVICES	75.00%	-	10	7	8,181	8,486	-
TR Mexico Ingenieria y Construcción S de RL de CV	MEXICO CITY	ENGINEERING SERVICES	75.00%	25.00%	4	6	18,179	-4,873	-
TR Perú Ingeniería y Construcción	PERU	ENGINEERING SERVICES	100.00%	-	9	9	199	-11	-
TR Servicios S.R.L. de C.V.	MEXICO CITY	ENGINEERING SERVICES	75.00%	25.00%	4	6	838	-254	-
Técnicas Reunidas USA L.L.C.	USA	ENGINEERING SERVICES	100.00%	-	-	27	4,155	855	-
TR Sagemis Italia S.R.L.	ITALY	ENGINEERING SERVICES	100.00%	-	-	10	188	-164	-
TR Italy	ITALY	ENGINEERING SERVICES	100.00%	-	10	10	977	-15	-
TR LLC DUQUM	OMAN	ENGINEERING SERVICES	50.00%	-	288	575	-2,887	4,008	5,955
TR PROJELER INSAAT	TURKEY	ENGINEERING SERVICES	100.00%	-	-	11	-28	-17	-
TR Construcción y Montaje S.A.	MADRID	REAL ESTATE DEVELOPMENT	100.00%	-	150	332	1,421	-10	-
Técnicas Reunidas Metalúrgicas, S.A.	MADRID	ENGINEERING SERVICES	100.00%	-	60	120	1,687	-14	-
Termotécnica, S.A.	MADRID	WHOLESALE MACHINERY	40.00%	60.00%	300	781	1,549	-312	-
Técnicas Reunidas Ecología, S.A.	MADRID	ENGINEERING SERVICES	100.00%	-	3,069	120	985	1,964	-
Técnicas Reunidas Internacional, S.A.	MADRID	ENGINEERING SERVICES	100.00%	-	120	120	592	285	-
Española de Investigación y Desarrollo S.A.	MADRID	ENGINEERING SERVICES	100.00%	-	1,090	90	535	441	-
TR Proyectos Internacionales, S.A.	MADRID	DEVELOPMENT AND CONTRACTING	100.00%	-	1,503	1,503	2,344	5,726	-
Deportes Valdavia 2017 SL	SPAIN	ENGINEERING SERVICES	100.00%	-	36	3	33	-	-
ReciclAguilar, S.A.	MADRID	ENGINEERING SERVICES	80.00%	-	-	60	- 162	-0	-
Heymo Ingeniería, S.A.	MADRID	ENGINEERING SERVICES	100.00%	-	757	903	2,990	789	-
Layar, S.A.	MADRID	COMPANY MANAGEMENT	100.00%	-	2,261	1,085	1,130	35	-
Técnicas Reunidas Netherlands B.V	THE HAGUE	ENGINEERING SERVICES	100.00%	-	-	18	-706	-50	-
Single project companies with positive equity					5,089	6,489	71,406	-9,749	-
Single project companies with an equity default					8,130	163,540	-149,294	-140,133	-
Other					153				
Total investments in Group companies					**195,349**	**553,637**	**-557,177**	**-182,155**	**5,955**
Master S.A. de Ingeniería y Arquitectura	BARCELONA	ENGINEERING SERVICES	40.00%	-	-	152	-5,370	-638	
Proyectos Ebramex, S. de R.L. de C.V.	MEXICO CITY	ENGINEERING SERVICES	33.33%	-	-	21,953	-33,976	-	
Minatrico, S. de R.L. de C.V.	MEXICO CITY	ENGINEERING SERVICES	33.33%	-	1,598	41,214	-28,825	-	
Total investments in associates and jointly controlled entities					**1,598**	**63,319**	**-68,171**	**-638**	
Total					**196,946**	**616,956**	**-625,348**	**-182,793**	

* Companies incorporated for the sole purpose of providing support in carrying out a single project are grouped together.
** Includes sub-consolidated figures

(Expressed in thousands of Euros)

Investments in Group companies, jointly controlled entities and associates in 2023						Equity			
Company	**Registered office**	**Business activity**	**Direct interest**	**Indirect interest**	**Carrying amount**	**Share capital**	**Reserves**	**Profit/(Loss)**	**Dividends**
Initec Plantas Industriales. S.A	MADRID	ENGINEERING SERVICES	100.00%	-	124,613	6,600	*3277*	9,928	-
Initec Infraestructuras. S.A	MADRID	ENGINEERING SERVICES	100.00%	-	6,116	1,800	3,966	525	-
Técnicas Reunidas Gulf L.T.D.	YEDAH	ENGINEERING SERVICES	100.00%	-	29,589	550	29,080	- 41	-
TR Global for Engineering	SAUDI ARABIA	ENGINEERING SERVICES	100.00%	-	1,418	1,418	- 277	- 1,696	-
TR Saudi Arabia LLC	JEDDAH	ENGINEERING SERVICES	50.00%	50.00%	-	479	- 559	-	-
TR Tec Ltda	BOLMA	ENGINEERING SERVICES	12.40%	87.60%	-	2	- 3,330	- 160	-
TR Alberta	CANADA	ENGINEERING SERVICES	50.00%	50.00%	17	34	12,176	- 7,400	-
TR Canadá E&C INC	CANADA	ENGINEERING SERVICES	15.00%	85.00%	5	36	1,926	- 587	-
TR Saudia for Services and Contractinq Co. Limited	AL-KHOBAR	ENGINEERING SERVICES	97.00%	3.00%	-	293,340	- 368,431	- 118,706	-
TR Engineers India Private LTD	INDIA	ENGINEERING SERVICES	100.00%	-	10	7	3,364	4,404	-
TR México Ingeniería y Construcción S de RL de CV	MEXICO D.F.	ENGINEERING SERVICES	75.00%	25.00%	4	6	13,934	6,114	-
TR Perú Ingeniería y Construcción	PERU	ENGINEERING SERVICES	100.00%	-	9	9	173	16	-
TR Servicios S.R.L. de C.V.	MEXICO D.F.	ENGINEERING SERVICES	75.00%	25.00%	4	6	353	589	-
Técnicas Reunidas USA L.L.C.	USA	ENGINEERING SERVICES	100.00%	-	-	27	- 8,950	199	-
TR Sagemis Italia S.R.L.	ITALY	ENGINEERING SERVICES	100.00%	-	198	10	195	- 7	-
TR Italy	ITALY	ENGINEERING SERVICES	100.00%	-	10	10	581	396	-
TR Duqum Proyect LLC	OMAN	ENGINEERING SERVICES	65.00%	-	-	76,986	- 17,772	- 94,114	-
TR LLC DUQUM	OMAN	ENGINEERING SERVICES	100.00%	-	288	575	- 5,133	13,783	29,547
TR PROJELER INSAAT	TURKEY	ENGINEERING SERVICES	100.00%	-	16	21	- 31	- 4	-
TR Construcción y Montaje S.A.	MADRID	REAL ESTATE DEVELOPMENT	100.00%	-	150	332	1,420	1	-
Técnicas Reunidas Metalúrgicas, S.A.	MADRID	ENGINEERING SERVICES	100.00%	-	60	120	1,702	- 9	-
Termotécnica. S.A.	MADRID	WHOLESALE MACHINERY	40.00%	60.00%	300	781	1,136	131	-
Técnicas Reunidas Ecología, S.A.	MADRID	ENGINEERING SERVICES	100.00%	-	1,105	120	1,715	- 730	-
Técnicas Reunidas Internacional, S.A.	MADRID	ENGINEERING SERVICES	100.00%	-	120	120	985	- 393	-
Española de Investigación y Desarrollo S.A.	MADRID	ENGINEERING SERVICES	100.00%	-	625	90	377	157	-
TR Proyectos Internacionales, S.A.	MADRID	DEVELOPMENT AND CONTRACTING	100.00%	-	1,503	1,503	- 2,832	5,176	5,000
Deportes Valdavia 2017 SL	SPAIN	ENGINEERING SERVICES	100.00%	-	31	3	30	- 2	-
RecicAguilar. S.A.	MADRID	ENGINEERING SERVICES	80.00%	-	-	60	- 162	0	-
Heymo Ingeniería, S.A	MADRID	ENGINEERING SERVICES	100.00%	-	757	903	*5,202*	- 2211	-
Layar. S.A.	MADRID	COMPANY MANAGEMENT	100.00%	-	2,215	1,085	1,117	13	-
Técnicas Reunidas Netherlands B.V	THE HAGUE	ENGINEERING SERVICES	100.00%	-	-	18	- 509	- 198	-
Single project companies with positive equity					8,319	14,545	51,943	4,132	44,976
Single project companies with negative equity					2	4,098	- 38,973	- 62,316	-
Other					156				
Total investments in Group companies					**177,643**	**405,695**	**- 312,304**	**- 243,012**	**79,523**
Master S.A de Ingeniería y Aquitectura	BARCELONA	ENGINEERING SERVICES	40.00%	-	-	152	- 5,370	- 275	
Proyectos Ebramex, S. de R.L. de C.V.	MEXICO D.F.	ENGINEERING SERVICES	33.33%	-	-	21,953	- 33,976	-	
Minatrico, S. de R.L. de C.V.	MEXICO D.F.	ENGINEERING SERVICES	33.33%	-	2,486	41,214	- 28,825	-	
Total investments in associates and jointly controlled entities					**2,486**	**63,319**	**- 68,171**	**- 275**	
Total					**180,128**	**469,014**	**- 380,475**	**- 243,287**	

(Expressed in thousands of Euros)

* Companies incorporated for the sole purpose of providing support in carrying out a single project are grouped together.
** Includes sub-consolidated figures
None of the Group companies, jointly controlled entities or associates are officially listed.

9. Financial assets at amortised cost

	Thousands of Euros	
	2024	**2023**
Trade receivables for sales and services (a)	1,927,973	1,580,313
Trade receivables from Group companies and associates (b)	164,077	150,422
Loans to Group companies and associates (c)	484,862	629,352
Sundry accounts receivable	5,219	13,675
Receivable from Group companies	65,561	84,229
Staff	1,453	472
Current tax assets (Note 20)	35,082	20,184
Other accounts receivable from public authorities	44,360	44,620
Provisions for impairment	(20,954)	(29,385)
	2,707,633	**2,493,882**

a) Trade receivables for sales and services

There are no significant differences between the carrying amounts and the fair values of trade and other receivables.

At 31 December 2024, “Trade receivables” included EUR 1,700,617 thousand relating to amounts to be billed for work performed (2023: EUR 1,384,478 thousand), which is calculated in accordance with the criteria established in Note 3.14.

“Completed work yet to be billed” includes the non-contentious claims expected to be collected from clients that are being negotiated and recognised in accordance with that indicated in Note 3.14. Depending on the types of projects in the portfolio, negotiations with customers regarding claims may go on during the entire life of the project, and are usually concluded in the final stage of the project.

In addition, ongoing change orders with clients for changes in the scope or modifications not included in the original contract were also recognised under “Completed work yet to be billed” in accordance with that indicated in Note 3.14.

The claims materialisation rate remains above 100% of the amounts recognised by the Company.

At 31 December 2024, the prepayments recognised amounted to EUR 568,400 thousand (2023: EUR 243,841 thousand). In 2024, additions were recognised for EUR 353,213 thousand, with EUR 28,654 thousand in derecognitions due to certification and closure of projects.

In the first two months of 2025, favourable agreements were reached with clients in relation to claims and change orders recognised at 31 December 2024, amounting to EUR 70,654 thousand. Therefore, at the date of authorisation for issue of these financial statements, the total claims and change orders closed favourably in the last 14 months amounted to EUR 497,746 thousand.

At 31 December 2024, the total amount requested for change orders amounted to EUR 366,372 thousand.

The amount requested for claims totalled EUR 1,132,697 thousand.

At 31 December 2024, past due receivables amounted to EUR 51,305 thousand (2023: EUR 60,809 thousand), of which EUR 30,351 thousand were not impaired as they relate to a number of independent customers for which there is no recent history of default.

(Expressed in thousands of Euros)

The analysis of the age of these past due receivables is as follows:

	Thousands of Euros	
	2024	**2023**
Not due	61,677	14,337
Less than 3 months	10,501	13,459
Between 3 and 6 months	1,697	5,918
More than 6 months	39,107	41,432
Doubtful trade receivables	20,954	25,402
Total	**133,979**	**100,548**

As of the date of formulation, EUR 76 million of the debt outstanding as of 31 December 2024 had been collected, of which EUR 30 million corresponds to overdue debt.

The Company reduced the impairment loss on the value of its trade receivables in the year ended 31 December 2024 by EUR 8,431 thousand (2023: EUR 4,887 thousand).

The changes in provisions for impairment losses on financial assets at amortised cost are as follows:

	Thousands of Euros	
	2024	**2023**
Opening balance	**29,385**	**34,272**
Period provisions	-	3,962
Amounts used/Reclassifications	(8,431)	(8,849)
Ending balance	**20,954**	**29,385**

b) Trade receivables from Group companies and associates

	Thousands of Euros	
	2024	**2023**
Initec Plantas Industriales, S.A.U.	53,535	53,018
TR DUQUM Proyect L.L.C.	4,631	16,847
TR De Construcao Unip. LDA	-	20,296
TTSJV BAHREIN	311	328
Initec Infraestructuras, S.A.U.	58	51
Técnicas Reunidas UK	27,376	27,651
Powertecno	158	5,007
Técnicas Reunidas Ecología, S.A.	-	155
TR Saudia for Services and Contracting Co. Limited	31,407	5,700
Heymo Ingeniería, S.A.	6,079	3,830
Técnicas Reunidas LLC DUQM	366	16,847
Other Group companies, associates and joint ventures	40,156	1,431
Total	**164,077**	**151,161**

(Expressed in thousands of Euros)

c) Loans to Group companies and associates

	Thousands of Euros					
	Other loans		Tax receivables		Total	
	2024	2023	2024	2023	2024	2023
Initec Plantas Industriales, S.A.U.	133,206	181,489	810	(51,217)	**134,016**	**130,272**
TR Saudia for Services and Contracting Co. Limited	131,641	288,405	-	-	**131,641**	**288,405**
TR De Construcao Unip. LDA	-	43,057	-	-	**-**	**43,057**
TR Colombia	27,955	19,264	-	-	**27,955**	**19,264**
Powertecno Energía Mexicana	14,504	-	-	-	**14,504**	**-**
TR Canada INC	-	7,717	-	-	**-**	**7,717**
Técnicas Reunidas UK	96,672	89,436	-	-	**96,672**	**89,436**
TR Daewoo LLC	33,479	-	-	-	**33,479**	**-**
Other Group companies, associates and UTEs	42,227	44,522	4,368	6,679	**46,595**	**51,201**
Total	**479,684**	**673,890**	**5,178**	**(44,538)**	**484,862**	**629,352**

At 31 December 2024, loans to Group companies included EUR 4,368 thousand (2023: EUR 44,538 thousand) related to the balances of income tax payable/(refundable) for each of the subsidiaries that form part of the consolidated tax group (see Note 20).

The remaining part of this balance relates to trade receivables from Group companies, associates and UTEs relating mainly to engineering services.

The Company assessed the recoverability of the loans to Group companies on the basis of the business plans supplied by these subsidiaries, which are based on their current customer portfolios.

The average interest rate on loans to venturers in UTEs and joint ventures is the market rate of Euribor +2% and other benchmarks +2% (2023: Euribor +2%, other benchmarks +2%).

There are no significant differences between the carrying amounts and the fair values of these loans to Group companies and other financial assets.

The accounting values of the financial assets at amortised cost are denominated in the following currencies:

	Thousands of Euros	
	2024	2023
Euro	1,117,194	1,059,805
USD	1,252,832	893,485
KWD	159,023	198,783
Other currencies	178,584	277,004
	2,707,633	**2,429,077**

The Company's maximum exposure to credit risk at the date of the financial statement is the fair value from each of the receivable categories indicated above.

There was no significant effect on the fair values of trade and other receivables. Nominal amounts are considered to approximate the fair value of these receivables and the effect of discounting is not significant under any circumstances.

(Expressed in thousands of Euros)

10. Derivative financial instruments

The detail of derivative financial instruments at the end of 2024 and 2023 is as follows:

	Thousands of Euros			
	2024		2023	
	Assets	Liabilities	Assets	Liabilities
Foreign currency forward contracts - cash flow hedges	7,950	40,178	25,034	1,027
Commodity forward contracts	273	2,925	934	20
Total	**8,223**	**43,103**	**25,968**	**1,047**
Less: non-current portion:				
Foreign currency forward contracts - cash flow hedges	-	846	-	-
Non-current portion	**-**	**846**	**-**	**-**
Current portion	**8,223**	**42,257**	**25,968**	**1,047**

The derivative financial instruments arranged by the Company relate mainly to the foreign currency forwards to cover highly probable future cash flows.

The Company assesses the effectiveness of the hedges by conducting prospective and retrospective efficacy tests in which the changes in hedged cash flows are compared with the changes in the cash flows of the designated derivative.

The detail of the maturities by year of the notional amounts of the contracts in force at 31 December 2024 and 2023 is as follows:

	Thousands of Euros						
Type of instrument	**Fair value 2024**	**Currency**	**2025**	**2026**	**2027**	**2028**	**Total**
Foreign currency forward contracts (assets)							
US Dollar / Euro	7,949	USD	172,076	-	-	-	172,076
EUR/JPY	1	EUR	1,182	-	-	-	1,182
RAW MATERIALS	273						
Assets	**8,689**						
Foreign currency forward contracts (liabilities)							
US Dollar / Euro	39,060	USD	1,172,085	-	-	-	1,172,085
US Dollar/SGD	194	USD	5,720	-	-	-	5,720
EUR/JPY	437	EUR	16,772	7,116	-	-	23,888
USD/MXN	487	USD	14,759				
RAW MATERIALS	2,925						
Liabilities	**43,103**						
Net balances	**(34,414)**						

(Expressed in thousands of Euros)

Type of instrument	Thousands of Euros Fair value 2023	Currency	2024	2025	2026	2027	Total
Foreign currency forward contracts (assets)							
US Dollar / Euro	22,813	USD	898,615	-	-	-	898,615
US Dollar/SGD	267	USD	9,217	-	-	-	9,217
EUR/JPY	21	EUR	677	-	-	-	677
PLN/EUR	1,421	EUR	16,438	-	-	-	16,438
USD/MXN	512	USD	16,450	-	-	-	16,450
RAW MATERIALS	934						
Assets	**25,968**						
Foreign currency forward contracts							
US Dollar / Euro	1,027	USD	17,540	-	-	-	17,540
Commodities	20						
Liabilities	**1,047**						
Net balances	**24,921**						

The detail of the maturities by year of the fair values of the contracts in force at 31 December 2024 and 2023 is as follows:

	Thousands of Euros 2024	2025	2026	2027	2028	Total fair value
Total assets 2024	-	8,223	-	-		8,223
Total liabilities 2024	-	42,257	846	-		43,103
Total assets 2023	25,968	-	-	-		25,968
Total liabilities 2023	1,047	-	-	-		1,047

The total fair value of a hedging derivative is classified as a non-current asset or liability if the remaining term to maturity of the hedged item is over 12 months, and as a current asset or liability if the remaining term to maturity of the hedged item is less than 12 months.

The highly probable forecast transactions denominated in foreign currency that have been hedged are expected to materialise according to the expected maturities.

The statement of recognised income and expense discloses the impact of cash flow hedges on equity and the transfers to the income statement.

In 2024 and 2023, no ineffectiveness worthy of mention arose as a result of foreign currency hedges, which is recognised in the income statement.

(Expressed in thousands of Euros)

11. Inventories

This heading includes the following items and amounts:

	Thousands of Euros	
	2024	**2023**
Finished goods	6,833	6,833
Write-down of finished products	(297)	(297)
	6,536	**6,536**

"Construction projects in progress and finished projects" includes the cost of various assets (mainly car parks allocated for sale), related to the concessions described in Note 5 on intangible assets.

12. Advances to suppliers

This heading includes a breakdown of advances to suppliers.

	Thousands of Euros	
	2024	**2023**
Group	8,270	10,487
Non-Group	65,297	63,697
Total	**73,567**	**74,184**

13. Cash and cash equivalents

The detail of the balance of this heading at 31 December 2024 and 2023 is as follows:

	Thousands of Euros	
	2024	**2023**
Cash	544,130	341,826
Cash equivalents	210,220	303,892
	754,350	**645,718**

This heading 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).

In 2024, the effective interest rate on short-term deposits at credit institutions was 3.46% for deposits in Euros (2023: 3.70%) and 5.13% for deposits in US Dollars (2023: 5.15%) and the average term of these deposits is 15 days (2023: 15 days).

Of the total balance of cash and cash equivalents at 31 December 2024, EUR 437,734 thousand (2023: EUR 481,601 thousand) arose from the inclusion of the joint ventures and unincorporated temporary joint ventures in which the Company holds interests.

There were no cash or cash equivalents with restricted availability at 31 December 2024 or at 31 December 2023, however, the cash from the joint arrangements with other partners is allocated in full to the project subject to such joint venture or UTE.

For the purposes of the statement of cash flows, the cash balance includes cash and cash equivalents.

(Expressed in thousands of Euros)

14. Capital and share premium

The detail of the share capital and share premium at 31 December 2024 and 2023 is as follows:

	Thousands of Euros			
	Share capital	Share premium	Treasury shares	Total
Balance at 1 January 2023	**5,590**	**8,691**	**(72,909)**	**(58,628)**
Capital increase	2,440	147,652	-	**150,092**
Other changes	-	-	(924)	**(924)**
Balance at 31 December 2023	**8,030**	**156,343**	**(73,833)**	**90,540**
Other changes	-	-	71	71
Balance at 31 December 2024	**8,030**	**156,343**	**(73,762)**	**90,611**

a) Share capital

On 5 May 2023, the capital increase carried out by the Parent, consisting of the issue of 24,405,265 new shares of EUR 0.10 par value each, plus a share premium of EUR 6.05 per share, was registered with the Commercial Registry.

A 31 December 2024, the total authorised number of ordinary shares was 80,301,265 shares (80,301,265 shares at 31 December 2023), with a par value of EUR 0.10 each. All of the shares issued are fully paid and carry the same voting and dividend rights. There are no restrictions on the free transferability of the shares.

The share capital of Técnicas Reunidas, S.A. is represented as follows:

	2024	2023
Shareholder	**% ownership interest***	**% ownership interest**
Aragonesas Promoción de Obras y Construcciones, S.L.U.	5.16%	5.16%
Araltec Corporación, S.L.U.	32.39%	32.39%
Francisco García Paramés	4.90%	5.26%
Álvaro Guzmán de Lázaro Mateos	3.33%	5.97%
Other shareholders (including free float)	51.49%	48.46%
Treasury shares	2.73%	2.76%
TOTAL	**100.00%**	**100.00%**

** Ownership interest taken from the Company's shareholder register. These percentages do not coincide with those available on the website of the Spanish National Securities Market Commission for the Company since some of the significant shareholders did not need to update their shareholding because they have not exceeded any of the notification thresholds set out in the applicable regulations.*

The Group's founder and honorary president, José Lladó Fernández-Urrutia, passed away on 14 February 2024. As a result of the distribution of Mr. José Lladó's inheritance in 2025, the Lladó family's ownership interest in the Parent is as follows:

Shareholder	Indirect ownership interest
Pilar Arburúa	5.16%
Araltec, S.L.	32.39%

(Expressed in thousands of Euros)

The detail of this indirect ownership interest is as follows:

Indirect holder	Direct holder	Direct ownership interest
Pilar Arburúa	Aragonesas Promoción de Obras y Construcciones, S.L.U.	5.16%
Araltec, S.L.(*)	Araltec Corporación, S.L.U.	32.39%

(*) The share capital of Araltec, S.L. has been distributed among different members of the Lladó family, without any of them having a controlling interest.

Likewise, Ms. Pilar Arburúa holds a direct 0.07% interest in the Company's share capital.

Since 21 June 2006, all shares of Técnicas Reunidas, S.A. have been admitted to trading on the four Spanish stock exchanges, and are listed on the continuous market.

At 31 December 2024, the share price amounted to EUR 11.24/share, while the average price for the year was EUR 10.26/share.

c) Share premium

This reserve is unrestricted.

d) Treasury shares

The changes in "Treasury shares" in 2024 and 2023 were as follows:

	2024		2023	
	Number of treasury shares	**Thousands of Euros**	**Number of treasury shares**	**Thousands of Euros**
At beginning of year	2,219,634	73,833	2,213,972	72,909
Increases/purchases	3,527,929	36,649	3,651,826	34,215
Decreases/sales	(3,556,311)	(36,720)	(3,646,164)	(33,291)
At end of year	**2,191,252**	**73,762**	**2,219,634**	**73,833**

At 31 December 2024, treasury shares represented 2.73% of the Company's share capital (2023: 2.76%), and totalled 2,191,252 shares (2023: 2,219,634 shares), with a weighted average price of EUR 33.66 per share (2023: EUR 33.26 per share).

The shareholders at the Company's Annual General Meeting held on 25 June 2020 agreed to authorise the Board of Directors to acquire treasury shares up to the maximum number of shares established by law, at a price that may not be more than 5% higher or lower than the weighted average share price on the day the purchase is made (or the minimum and maximum prices allowed by law at any given time) and with a maximum daily volume that may not be more than 15% of the average daily volume traded on the market for orders of the regulated market or the Spanish multilateral trading system over the previous thirty sessions.

The Company entered into a liquidity agreement with Santander Investment Bolsa, Sociedad de Valores, S.A.U. The framework of this agreement is the Spanish stock exchanges and its purpose is to create added liquidity for transactions. The agreement was signed for a term of one year, which was renewed on 10 July 2017 in accordance with CNMV Circular 1/2017, of 26 April, and was automatically extended for additional years on 10 July 2019, and a modifying novation was signed on 20 February 2020. A total of 74,500 shares were allocated to the securities account associated with the agreement and EUR 2,537 thousand were allocated to the cash account associated with the agreement.

(Expressed in thousands of Euros)

15. Reserves

The detail of reserves at 31 December 2024 and 2023 is as follows:

	Thousands of Euros	
	2024	**2023**
Legal reserve	1,606	1,137
Other reserves	390,006	251,188
	391,612	**252,325**

Legal reserve

At 31 December 2024, the balance of this legal reserve had reached the legally required minimum. This reserve may not be distributed to shareholders and may only be used to offset losses if no other reserves are available for this purpose. Under certain conditions, it may also be used to increase share capital.

Other reserves

This reserve is unrestricted.

16. Distribution of profit

Proposed distribution of profit

The proposed distribution of the profit for 2024 to be submitted at the Annual General Meeting, and the approved distribution of profit for 2023, is as follows:

	Thousands of Euros	
	2024	**2023**
Basis of allocation		
Profit/(loss)	180,820	139,067
	180,820	**139,067**
Allocation		
Legal reserve	-	469
Other reserves	180,820	138,598
	180,820	**139,067**

The Company’s Board of Directors did not approve the distribution of interim dividends in 2024 or 2023.

(Expressed in thousands of Euros)

17. Translation differences

The breakdown, by permanent establishment, of the cumulative translation differences at the end of 2024 and 2023 is as follows:

	Thousands of Euros	
	2024	**2023**
Abu Dhabi branch	(1,735)	2,743
Australia branch	-	(2,284)
Qatar branch	3,845	(1,040)
Poland branch	6,203	3,755
Kuwait branch	12,575	5,398
Other	1,012	(3,316)
	21,900	**5,256**

18. Financial liabilities

Financial liabilities at amortised cost

The liabilities at amortised cost include:

	Thousands of Euros	
	2024	**2023**
Non-current		
Participative loans (a)	175,000	175,000
Borrowings (a)	340,569	380,758
Other financial liabilities	575	740
Total	**516,144**	**556,498**
Current		
Borrowings (a)	284,001	305,142
Accounts payable to related parties (b)	100,268	65,044
Other accounts payable to public authorities	38,666	39,024
Trade and other payables (c)	2,257,270	2,093,992
Total	**2,680,205**	**2,503,202**

The carrying amount of current and non-court borrowings approximates their fair value.

(Expressed in thousands of Euros)

a) Bank borrowings

The detail of the line items included under this heading is as follows:

	Thousands of Euros			
	2024		2023	
	Non-current	Current	Non-current	Current
Participative loans	175,000	-	175,000	-
ICO syndicated loans	15,108	70,210	90,739	44,472
ICO loans	7,928	14,334	22,235	26,508
ICO credit facilities	-	-	26,785	14,965
SEPI ordinary loan	82,500	49,500	132,000	33,000
CESCE syndicated loan	-	-	-	53,481
Debentures and promissory notes	77,797	88,687	-	100,554
Mortgage loans	6,364	1,820	7,870	2,022
Private placement	56,000	-	56,000	-
SSD	40,000	-	40,000	-
CESCE revolving credit facility	50,000	-	-	-
Interest on debt	-	19,818	-	15,956
Other loans	4,872	39,632	5,129	14,183
Total borrowings	**515,569**	**284,001**	**555,758**	**305,141**

The carrying amount approximates their fair value. Part of the borrowings are tied mainly to the Euribor and are reviewed up to every six months. Loans in the amount of EUR 8,184 thousand (2023: EUR 9,892 thousand) were taken out as collateral for concession assets (Note 5), which are recognised under “Intangible assets”.

The changes in the borrowings in 2024 and 2023 were as follows:

	Thousands of Euros	
	2024	2023
Beginning balance	**860,899**	**977,131**
Drawdowns	420,222	277,175
Returns	(485,414)	(401,867)
Accrued interest	55,244	50,444
Interest paid	(51,383)	(41,983)
Ending balance	**799,568**	**860,899**

(Expressed in thousands of Euros)

At 31 December 2024, total borrowings included EUR 415,155 thousand at a fixed rate (2023: EUR 428,295 thousand) as detailed below:

	2024		2023	
Item	**Thousands of Euros**	**Rate**	**Thousands of Euros**	**Rate**
Promissory notes	140,300	3.5%-6.2%	51,500	5.6%-6.2%
Fixed-rate loans	22,067	1.29%-5%	50,255	1.29%-5%
Syndicated ICO loan	37,088	2.45%	55,740	2.45%
MARF bonds	27,700	5.40%	49,800	2.75%
Private placement	56,000	3.25%	56,000	3.25%
Ordinary Sepi	132,000	2.00%	165,000	2.00%
	415,155		**428,295**	

The average variable interest rates applicable to the rest of the debt were as follows:

	2024	2023
	EUR	EUR
Variable rates (spread)	2.29%	2.08%

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.

The carrying amount of the Company's borrowings is denominated completely in Euros.

The detail of the maturities by year of the contracts in force at 31 December 2024 and 2023 is as follows:

	Thousands of Euros			
	Within one year	**From 1 to 2 years**	**From 3 to 5 years**	**Total**
2024	284,001	268,055	72,513	**624,569**
2023	305,141	277,968	102,790	**685,899**

The carrying amount of current and non-current borrowings approximates their fair value, as the impact of discounting is not significant.

The Company has the following undrawn credit facilities and other loans:

	Thousands of Euros	
	2024	**2023**
- maturing within one year	30,000	34
maturing in more than one year	20,000	8,214
	50,000	**8,248**

At 31 December 2024, the ICO syndicated loan signed in June 2020 amounted to EUR 91,599 thousand, with EUR 46,066 million having been repaid in 2024. The entire CESCE debt had been repaid at 31 December 2024, in accordance with the established schedule. In addition, a new CESCE revolving credit facility was signed in 2024 for EUR 50,000 thousand. This financing requires a consolidated net financial debt/EBITDA ratio that is less than or equal to 2.5. In accordance with the clauses of the syndicated loan agreements, the Group reviews compliance with these financial ratios every six months.

In addition, these loan agreements contain the following limitations on the distribution of profits for the years 2023-2024:

- 50% of consolidated net profit for 2024.

In 2024 the Group renewed the short-term promissory notes programme in the MARF for EUR 200,000 thousand. At 31 December 2024, the balance amounted to EUR 140,300 thousand (2023: EUR 47,500 thousand). The average interest rate in the MARF in 2024 was 4.80% (2023: 6.01%)

The bond programme in the MARF was also renewed for EUR 140,000 thousand. At 31 December 2024, the balance amounted to EUR 27,700 thousand (2023: EUR 49,800 thousand). The bonds issued in the MARF have an interest rate of 5.40% and mature in April 2028.

At 31 December 2024, the Group had achieved the financial ratio (consolidated financial debt/EBITDA of less than 2.5/3) established in the syndicated loan and in the private placement agreements, the bonds on the MARF and German promissory notes.

For 2024, the Parent's directors consider that, at the date of authorisation for issue of these financial statements, the Group is in a position to comply with the financial ratios included in the clauses of all its finance agreements.

On 24 February 2022, the Group received the disbursement of EUR 340 million under the Fund for Supporting the Solvency of Strategic Companies. This aid took the form of a participative loan amounting to EUR 175 million and an ordinary loan amounting to EUR 165 million. Both loans will have a term of four and a half years, with the possibility of early repayment. Except for this possibility of early repayment, in the case of the participative loan, the principal must be repaid upon maturity (August 2026), whereas the ordinary loan has a grace period of 1 year and then must be repaid each year in percentages of 20% (already paid), 30% (February 2025), 30% (February 2026) and a last tranche of 20% at maturity in August 2026.

In 2024, the participative loan accrued interest at an annual rate of 7.61% tied to IBOR +350 bps (IBOR +250bps in 2022), and the ordinary loan accrued interest an annual rate of 2%. The interest rate of the participative loan for 2025 has been set at an annual interest rate of 7.71% (IBOR+ 50pbs).

In addition, this financing also includes a variable component tied to the performance of the Group's business activity and equivalent to one per cent (1%) of the outstanding nominal value, which will accrue if the consolidated financial statements show a profit before tax for the year ended. The variable amount accrued in 2024 amounted to EUR 1.77 million (EUR 1.77 million in 2023).

The terms of the financing received — which if breached could result in early maturity — included certain obligations regarding the use of the financing and compliance with the viability plan submitted, the adoption of digitalisation and sustainability measures, and the obligation to strengthen the Group's assets before 30 June 2023. The required obligations were met in 2023 and 2024.

During the term of these loans, the Group has the obligation not to distribute dividends. The Parent's directors consider that, at the date of authorisation for issue of these consolidated financial statements, there has been no non-compliance that could give rise to early maturity.

Under the terms of the loan, the Parent (Tecnicas Reunidas, S.A.) acts as applicant, borrower and beneficiary, and the group company Initec Plantas Industriales, S.A.U. acts as beneficiary and guarantor of the financing agreements. Both companies are jointly and severally liable for both loans.

(Expressed in thousands of Euros)

b) **Accounts payable to related parties**

	Thousands of Euros	
	2024	**2023**
Group companies	100,268	64,867
Associates	-	177
	100,268	**65,044**

The detail of the items in this heading is as follows:

	Thousands of Euros					
	Other Loans		**Tax effect**		**Total**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Initec Plantas Industriales, S.A.U.	14,798	-	25,692	-	40,490	-
Initec Infraestructuras, S.A.U.	-	-	1,186	1,370	1,186	1,370
Técnicas reunidas Gulf Co	31,069	28,952	-	-	31,069	28,952
TR Alberta INC	-	7,300	-	-	-	7,300
TR Talara S.A.C.	2,018	3,046	-	-	2,018	3,046
Técnicas Reunidas Insaat	-	7,315	-	-	-	7,315
Other Group companies, associates and joint ventures	22,444	12,594	3,061	4,467	25,505	17,061
Total	**70,329**	**59,207**	**29,939**	**5,837**	**100,268**	**65,044**

In 2024, the loans with Group companies carried an average interest rate of Euribor 2% and other benchmarks 2% (2023: Euribor +2%, other benchmarks +2%).

c) Trade and other payables

	Thousands of Euros	
	2024	**2023**
Payable to suppliers - invoices to be certified	1,350,170	1,160,113
Payables to suppliers	471,988	407,494
Sundry accounts payable	7,122	442
Payable to suppliers - Group companies and associates	91,373	166,565
Supplier withholdings	62,126	80,860
Staff costs (remuneration payable)	10,440	7,765
Customer advances	264,050	270,753
	2,257,269	**2,093,992**

The amounts included under 'Payable to suppliers - invoices to be certified' relate 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. The average age may in some cases exceed the short term, subject to the back-to-back clauses that companies have both in terms of achieving contract milestones and in claims compensation processes whose terms may exceed one calendar year.

There was no significant effect on the fair values of payable to suppliers and trade payables. The nominal values are considered an approximation of their fair values.

(Expressed in thousands of Euros)

The detail of 'Payable to suppliers - Group companies and associates' is as follows:

	Thousands of Euros	
	2024	**2023**
Initec Plantas Industriales, S.A.U.	29,025	40,799
Initec Infraestructuras, S.A.U.	2,305	2,406
Técnicas Reunidas Internacional, S.A.U.	2,371	568
Técnicas Reunidas UK	73	69
TR Ecología S.A.	885	3,723
TR Saudia for Services and Contracting Co. Limited	9,226	83,174
TR México Ingeniería y Construcción	9,810	11,461
TR Colombia	10,231	7,158
Other	27,447	17,207
	91,373	**166,565**

The carrying amount of trade payables by currency is as follows:

	Thousands of Euros	
	2024	**2023**
Euro	669,661	601,261
US Dollar	1,052,089	844,612
Other currencies	100,408	121,734
	1,822,158	**1,567,607**

To make it easier for our suppliers to access liquidity, the Company has entered into various supplier finance arrangements with different entities, under which suppliers can collect payments from these entities before the expiry date of the invoices. The Company repays these entities for all invoices from suppliers that use this method when the invoice is due.

Given that these invoices are mostly paid within the periods established with the supplier, the Company considers that these balances should be recognised as trade payables.

The terms of these agreements are as follows:

- Reverse factoring agreements (supply chain finance) without an additional guarantee.
- Payment terms between 30 and 120 days depending on the entity.
- Invoices are fully discounted by suppliers at money market interest rates according to payment term and currency (EUR, USD), with final interest rates of between 3-7%.
- The average fee is 1.08%.

The average period for invoices paid by reverse factoring is between 90 and 120 days, while the average payment period for invoices not paid by reverse factoring is 92 days.

At 31 December 2024, the outstanding amount payable to suppliers managed under reverse factoring agreements was EUR 48 million (EUR 77 million in 2023), with the following maturities:

	Millions of Euros
up to 90 days	40
between 90 and 120 days	8
	48

(Expressed in thousands of Euros)

The amount of the reverse factoring facilities used throughout 2024 totalled EUR 225 million (EUR 218 million in 2023), with payments made totalling EUR 254 million (EUR 195 million in 2023).

The Company is not exposed to significant liquidity risk as a result of its supplier finance arrangements given the limited amount of liabilities subject to such finance arrangements and since they can access other sources of financing on similar terms.

Average period of payment to suppliers

The information required by additional provision three of the Spanish Business Creation and Growth Act 18/2022 of 28 September (*Ley de creación y crecimiento de empresas*) and Spanish Law 15/2010, of 5 July (amended by final provision two of Spanish Law 31/2014, of 3 December), prepared in accordance with the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 on the disclosures to be included in the notes to financial statements in relation to the average period of payment to suppliers in commercial transactions, is detailed below:

	Thousands of Euros	
	2024	**2023**
Average period of payment to suppliers	95	99
Ratio of transactions paid	96	92
Ratio of transactions payable	94	118

	Thousands of Euros	
	2024	**2023**
Total payments made	1,931,683	1,353,079
Total payments pending	666,410	451,977

These figures relate to projects in multiple regions. With respect to Spanish suppliers, the Company may exceed the deadlines set in the case of invoices that do not comply with the terms of the contract because they are not officially compliant, due to non-receipt of guarantees or non-compliance with other supplier obligations and for other reasons linked to the exceptional nature of conducting business in the context of COVID-19.

The calculation of the data of the above table was performed in accordance with the Spanish Accounting and Account Auditing Institute resolution of 29 January 2016. For the purposes of this note, the trade payables item includes the heading of suppliers and sundry payables for debts to goods suppliers or service providers included in the scope of the regulation on legal payment deadlines.

For the calculation of the information contained in this note, the transactions performed with the Company's suppliers have been considered after eliminating the reciprocal receivables and payables of the subsidiaries and, as applicable, those of the jointly controlled entities pursuant to the applicable consolidation rules.

(Expressed in thousands of Euros)

The calculation is made taking into account the date of registration of the invoice in the system. On that date, not all the invoices are due since they may not comply with the contractual requirements established. In addition, this debt is not enforceable in accordance with ‘paid when paid’ clauses.
In accordance with the new regulations under section 9 of Law 18/2022, of 28 September, in addition to the above information, the following information is provided:

Number (units)	**2024**	**2023**
Invoices paid prior to compliance with the maximum legal period for payment to suppliers	71,101	63,154
Percentage out of total number of supplier invoices	66%	73%
Volume (thousands of Euros)		**2023**
Invoices paid prior to compliance with the maximum legal period for payment to suppliers	662,592	428,523
Percentage out of total number of supplier invoices	34%	32%

19. Provisions

	Thousands of Euros	
	2024	**2023**
Provisions for risks arising from litigation and other non-current payments to be made	85,254	79,826
Provision for equity deficit of subsidiaries	174,343	204,666
Non-current	**259,597**	**284,492**
Other provisions	-	10
Current	**-**	**10**

The changes in 2024 and 2023 were as follows:

	Thousands of Euros					
	Provision for litigation and other		**Provision for equity deficit of subsidiaries**		**Total**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Beginning balance	**79,826**	**79,622**	**204,666**	**206,960**	**284,492**	**286,582**
Period provisions	5,428	204	33,917	18,524	39,345	18,728
Amounts used/reversed	-	-	(64,240)	(20,818)	(64,240)	(20,818)
Ending balance	**85,254**	**79,826**	**174,343**	**204,666**	**259,597**	**284,492**

<u>Provisions for litigation and other - non-current</u>

There were no significant changes to this heading in 2024 since Company management considers that the provision recognised is sufficient to cover the existing risks.

With regard to non-current provisions, given the nature of the risks included, it is not possible to determine a reasonable schedule for the related payments.

<u>Provision for equity deficit of subsidiaries</u>

The increase in this heading is mainly due to the provision recognised in relation to the Company’s interest in TR UK (EUR 5.3 million), TR Alberta (EUR 3.7 million), TR Colombia (EUR 5.2 million) and Powertecno Energía Mejicana (EUR 10 million). In addition, “Amounts used/reversed” mainly includes the provision recognised in relation to TR Portugal (EUR 30.6 million) and TR Bolivia (EUR 0.4 million) due to the liquidation of both companies, and the reversal of the provision for TR Duqum (EUR 22.6 million), since it was transferred as a provision for group investments (see Note 8)

(Expressed in thousands of Euros)

Other provisions - current

This line item relates to provisions arranged to cover other contingencies and current expenses.

20. Income tax and tax matters

The companies of the Técnicas Reunidas Group included in the Consolidated Taxation Regime are the following: Técnicas Reunidas, S.A., Técnicas Reunidas Internacional, S.A., Termotécnica, S.A., Técnicas Reunidas Construcciones y Montajes, S.A., Técnicas Reunidas Ecología, S.A Técnicas Siderúrgicas, S.A., Española de Investigación y Desarrollo, S.A., Técnicas Reunidas Proyectos Internacionales, S.A. Técnicas Reunidas Metalúrgicas, S.A., Layar, S.A, Layar Real Reserva, S.A., ReciclAguilar, S.A Initec Plantas Industriales, S.A.U., Initec Infraestructuras, S.A.U., S.L, Heymo, S.A., Deportes Valdavia 2017, S.L., Valdavia Gym, S.L., Valdavia Pádel, S.L.

The reconciliation of net income and expenses for the year to the tax loss for income tax purposes for 2024 is as follows:

	Thousands of Euros	
	2024	**2023**
Profit before tax	213,567	202,653
Profit/(Loss) taken to equity	-	(7,737)
Total profit/(loss) before tax	**213,567**	**194,916**
Adjustments to accounting profit/(loss)		
Permanent differences	(102,898)	14,477
Temporary differences	(17,725)	(28,074)
Total adjustments	**(120,623)**	**(13,597)**
Taxable profit/Tax loss	**92,945**	**181,319**

Increases and decreases due to permanent differences relate to the following:

Increases due to permanent differences

	Thousands of Euros	
	2024	**2023**
Foreign taxes	-	17,769
Provisions for investments in Group companies and associates	4,895	125,994
Non-deductible expenses	2,207	1,016
Other	33	33
	7,135	**144,812**

Decreases due to permanent differences

	Thousands of Euros	
	2024	**2023**
Profit/(loss) from abroad	104,376	97,516
Exemption for foreign dividends	5,657	32,819
	110,033	**130,335**
Total permanent differences	**(102,898)**	**14,477**

(Expressed in thousands of Euros)

The income tax expense is composed of the following:

	Thousands of Euros	
	2024	**2023**
Current tax	23,235	45,330
Deferred tax on temporary differences	4,432	(7,019)
Taxes recognised in equity	-	(1,934)
Current tax expense for supplementary taxes as a result of Pillar 2 (*)	3,000	-
Other	2,080	27,209
	32,747	**63,586**

(*) This component of the current tax expense relates mainly to the profit in the jurisdiction of Qatar.

The breakdown of the deferred tax assets and liabilities is as follows:

Deferred tax assets	Thousands of Euros	
	2024	**2023**
Deferred tax assets		
- recoverable in over 12 months	270,492	280,360
- recoverable in under 12 months	15,763	4,979
	286,255	**285,339**
Deferred tax liabilities		
- payable in over 12 months	22,769	15,890
- payable in under 12 months	-	10,807
	22,769	**26,697**

Deferred taxes arose from the following:

Deferred tax assets	Thousands of Euros	
	2024	**2023**
Tax losses recognised in branches	27,093	40,137
Recognition of portfolio allowances	91,107	88,069
Provisions for contingencies and charges and other	30,785	29,809
Depreciation	-	112
Concessions	3,722	3,722
Taxes arising from permanent establishments	6,434	4,145
Tax loss carryforwards *	64,219	69,554
Tax credit for a limit of 50% of the losses offset in tax consolidation	57,673	49,791
Hedging reserve	5,222	-
	286,255	**285,339**

*This account includes the Spanish Tax Consolidated Group tax credit.

Deferred tax liabilities	Thousands of Euros	
	2024	**2023**
Taxes arising from permanent establishments	22,769	27,296
	22,769	**27,296**

The changes in the deferred tax assets and liabilities are as follows:

	Thousands of Euros			
	2024		**2023**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
At 1 January	**285,339**	**26,697**	**247,334**	**27,296**
Reversals/amounts used	(11,935)	-	(25,515)	-
Period provisions	7,504	-	18,497	-
Other	5,347	(3,928)	45,023	(599)
At 31 December	**286,255**	**22,769**	**285,339**	**26,697**

(Expressed in thousands of Euros)

Effective for tax periods beginning in 2023, 2024 and 2025, Final Provision Five, Three, of Spanish Law 28/2022, of 27 December, and Spanish Law 7/2024, of 20 December, include a temporary measure limiting the amount of individual tax losses of each company that makes up the tax group for corporation tax by 50%. As a result of applying this additional provision, a tax credit of EUR 57,673 thousand was generated in 2023 and 2024, which will be allocated to taxable profit on a straight-line basis over the next 10 years, without any additional limitation being applied.

According to the forecasts prepared by Management, it is estimated that the tax credits and prepaid taxes generated as a result of losses in branches/subsidiaries of the Parent will be recovered within 7 to 8 years since, among other actions, there is a plan to liquidate these branches/subsidiaries in a shorter period, logically subject to the fulfilment of the contractual and commercial obligations of the branches/subsidiaries. It should therefore be noted that, as planned in 2023, the subsidiaries in Bolivia and Portugal, and the permanent establishments in France and Australia, were liquidated in 2024.

The assumptions used in the plan for recovering the deferred tax assets are based on both the medium-term targets indicated in the SALTA plan (i.e. over EUR 5,000 million in annual revenue with a margin of over 4%), and the impact of the energy transition on the sector and advance pricing agreements with the Spanish tax authorities.

Based on the above, Management carried out a sensitivity analysis of +/- 15% both as regards sales and margins, with the deferred tax asset being recovered within 10 years in any of the scenarios.

The details of retained tax loss carryforwards on which tax assets have not been recognised essentially corresponds to the following:

	Thousands of Euros			
	2024		2023	
	Base	**Tax charge**	**Base**	**Tax charge**
Spain	166,995	41,748	166,995	41,748

Management does not consider their capitalisation at year-end as it is not possible to estimate their recovery date.

No deferred taxes were generated in 2024 or 2023 from transactions charged or credited directly against equity, in addition to those detailed in the consolidated statement of comprehensive income.

Other ongoing audits include:

a) On 3 July 2017, the tax audit began with regard to income tax for 2012 to 2014 and all other taxes for 2014 to 2015. As a result of the tax audit for 2012-2014, there were a number of points regarding corporation tax that were signed on a contested basis. These assessments signed on a contested basis amounted to EUR 3,566 thousand for 2012 (EUR 744 thousand in interest), while for 2013 and 2014 these assessments contained a proposed settlement amounting to EUR 5,002 thousand (EUR 833 thousand in interest). In addition, the Company received proposed sanctions for 2012 and 2013 to 2014 amounting to EUR 1.2 and 1.6 million, respectively.

   The Company appealed filed an appeal against these proposals in disagreement and sanctions before the Central Tax Appeals Board and, on 3 February 2022, the Central Tax Appeals Board notified two resolutions on the proposals in disagreement, fully upholding the contested resolutions in disagreement and two resolutions on the sanctions proposals, one confirming the imposition of the sanction for 2012, and the other partially rejecting the sanction for 2013 to 2014, resulting in a reduction of the sanction of EUR 0.455 million.

   The Company appealed these Central Tax Appeals Board again on 15 March 2022, in judicial review proceedings before the National Appellate Court, all of which are still pending a vote and a decision.

(Expressed in thousands of Euros)

The Parent's Management and its tax advisers have concluded that it is unlikely that the amount of the certificates appealed to the National Appellate Court will have to be paid, so no provision has been set aside for these items.

b) As a result of the tax audit initiated on 3 July 2017 for the Company’s other taxes (employee withholdings) for 2014 and 2015, several points were subject to assessments signed on a contested basis for an amount of EUR 3,573 million including interest and, a proposed penalty of EUR 1.6 million.

On 4 April 2023, the ruling of the Central Tax Appeals Board was handed down, which virtually confirmed the adjustment contained in the settlement and penalty agreements. In response to this ruling, TRSA filed an appeal for judicial review with the National Appellate Court on 29 May 2023.

On 12 July 2023, TRSA was provided with the administrative file with the deadline to file a claim. However, since the file was incomplete, TRSA requested the aggregation of the file, which lead to the suspension of the period for filing a claim.

On 28 September 2023, TRSA was once again provided with the administrative file to file the claim, which was submitted on 23 October 2023. The Company is currently waiting for the statement of defence to be submitted by the State Lawyer.

The Company's management and its tax advisors have concluded that it is unlikely that the amount of these tax certificates and sanctions will have to be paid, and therefore no provision has been set aside for these items.

In addition, on 21 February 2025, the Parent received notice from the Spanish tax authorities that they would commence tax audits of the Spanish tax group for corporation tax from 2020 to 2023 and for VAT and personal income tax from 2021 to 2023.

The detail of the years open for review is as follows:

Tax	Years
Income tax	2015-2023
Value-added tax	2016-2023
Personal income tax	2016-2023
Taxes other than income tax	Last 4 years

The varying interpretations of current tax law, inter alia, could give rise to additional liabilities as a result of a tax audit. In any case, the Company’s directors consider that these liabilities, should they arise, would not have a material effect on the consolidated financial statements.

<u>Advance Pricing Agreement</u>

To bring the Group’s transfer pricing policy in line with the standards established by the OECD in the BEPS (Base Erosion and Profit Shifting) Project and to build a relationship of trust and improve understanding with the Spanish tax authorities, the Group entered into a transfer pricing APA on 24 March 2022. The APA (Advance Pricing Agreement) covers the period from 2015 to 2026 and incorporates EPC projects without partners, where the contribution to the result of each of the companies involved is defined according to the contribution of the activities carried out in the project.

The purpose of this APA is the distribution of results among the entities that act as the Group's operating centres, which participate in implementing EPC and EPCm projects outside Spain.

The analysis of the contribution to each entity makes it possible to distribute the result between the entities participative in the EPC and EPCm according to a range of values. The contribution of the entities that form part of the corporate and offshore operational centres (offshore entities) is considered to follow the arm’s length principle if between 70% and 80% of the results of each project are allocated.

The contribution of the entities that form part of the onshore operational centres is considered to follow the arm's length principle if between 20% and 30% of the results of each project are allocated.

Likewise, in 2024 and effective for the 2023-2028 periods, the Group entered into an advance pricing agreement, through which a percentage of those structural costs located in Spain will be rebilled, as they correspond to management support services provided by the Parent in Spain for the benefit of the Group's vehicles abroad. This advance pricing agreement allows the Company to strengthen its transfer pricing policy in accordance with the OECD's international taxation principles.

Pillar Two Global minimum tax

On 14 December 2021, the Inclusive Framework on the initiative against tax base erosion and profit shifting was published by the OECD and the G-20 published the Pillar Two Model Rules ("the Rules").

These Rules are a set of international tax measures that seek to limit tax competition between the different systems that tax corporate profits by establishing a global minimum level of taxation for multinational groups with consolidated revenue that is generally equal to or greater than EUR 750 million.

The Rules have set this minimum level at a rate of 15%. Therefore, the groups affected must calculate their effective tax rate for each jurisdiction in which they operate, in accordance with the specific rules provided for in the Model Rules. In jurisdictions where the tax rate is less than 15%, the groups will have to pay an additional tax corresponding to the difference between the effective tax rate calculated for the jurisdiction in question and the above 15%.

The TR Group, as a large multinational group, is subject to this supplementary tax, with Técnicas Reunidas, S.A. as the ultimate parent of the Group.

The Group has therefore analysed the possible impacts that applying this tax may have on 2024, taking into consideration the application of the Transitional Safe Harbours provided for in Transitional Provision Four of Law 7/2024 and the full calculation, if applicable.

The Company considers that most jurisdictions can be covered by one of the three tests envisaged by this Safe Harbour, and has recognised a provision of EUR 3,000 thousand corresponding to the estimated impact that application of this regulation may have on the Company's financial statements.

The Group applies the exception to the recognition of deferred tax assets and liabilities in accordance with Law 7/2024, as required by IAS 12.

21. Revenue and expenses

a) Revenue

The information by activity included in the financial statements is structured, first, by operating segments, and second, by geographical distribution.

The operating segments are:

(i) Refining: This line provides management, engineering, procurement, construction and commissioning services for facilities along the entire value chain for the production of fuels that meet the highest standards (euro V/euro VI). These facilities convert waste flows into high quality fuels, optimising the use of natural resources. The Company also has extensive experience in the design and construction of the most advanced technologies for clean refining production processes. The Company also offers its clients the possibility of modernising existing plants with the aim of improving their efficiency and making progress in the sustainability actions and commitments that they have decided to implement.

(ii) Natural Gas: This line provides direction, management, engineering, procurement, construction and commissioning services for facilities throughout the supply chain, from natural gas production to regasification terminals, as natural gas is a key fuel for advancing toward decarbonisation objectives. In this regard, the Company has designed and built all types of facilities, from production facilities in natural gas fields, to treatment and processing plants, compressor stations, liquefaction, storage tanks and final regasification facilities.

(iii) Petrochemical: This area provides direction, management, engineering, procurement, construction and start-up services for facilities dedicated to the production of basic chemical materials used in water distribution, pharmaceuticals, health, food, energy efficiency in buildings and transport systems, among others. The refining production plants are being integrated with petrochemical operations, supplying both markets in an efficient and flexible manner and optimising the consumption of natural resources.

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

a. Hydrogen: Through this business line, the Company is actively involved in offering solutions for different types of hydrogen, helping its customers to integrate this element into their production processes with storage solutions or by blending it with existing gas networks.
b. 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, to reduce carbon emissions from their assets. High-intensity industrial facilities are complex, with space and operational constraints that make it difficult to install new processes. Faced with these challenges, the Company accelerates its customers' energy transition to a zero-emission future by implementing carbon capture technologies in their industrial processes. Once captured, the carbon dioxide is permanently stored or subsequently converted into synthetic fuels.
c. Circular Economy and Bioproducts: Within this line of activity, the Company provides services to produce biomethane and convert biomass and waste into fuels (biodiesel and biokerosene), chemicals and power and steam generation.

(v) Other: This segment provides direction, management, engineering, procurement, construction and commissioning services for facilities related to activities outside the Company’s business lines. The main activities are water treatment, port infrastructures and oil production. Also included in this segment are those projects whose completion was not achieved as a result of customer termination of the contract, through the enforcement of guarantees. The purpose of this inclusion is to avoid distorting the analysis of the remaining segments.

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

No sales were made between the different operating segments in 2024 and 2023.

(Expressed in thousands of Euros)

The distribution of revenue by operating segment is as follows:

	Thousands of Euros	
	2024	**2023**
Refining	434,555	560,765
Natural gas	1,834,085	1,335,655
Petrochemical	525,383	609,832
Low-carbon technologies	129,742	38,989
Other	91,328	227,586
	3,015,093	**2,772,827**

Similarly, the geographical distribution of revenue relating to the Company's ordinary operations is as follows:

	Thousands of Euros	
	2024	**2023**
Spain	93,605	64,095
Middle East	1,715,332	1,249,398
America	83,297	282,998
Asia	360,206	448,072
Europe	669,232	666,583
Mediterranean	93,421	61,680
	3,015,093	**2,772,827**

In 2024 and 2023, the Company did not recognise any significant penalty or bonus for delays, advances or for any other reason.

b) Foreign currency transactions

The amounts of transactions performed in foreign currencies were as follows:

	Thousands of Euros	
	2024	**2023**
Sales	2,059,002	1,810,580
Purchases	1,278,639	1,062,973
Services received	53,708	54,014

c) Staff costs

	Thousands of Euros	
	2024	**2023**
Wages and salaries	324,978	268,758
Termination benefits	1,875	405
Employee benefit costs	60,687	52,609
Provisions for employee benefits	1,951	1,655
	389,491	**323,427**

(Expressed in thousands of Euros)

The average number of employees in the year, by professional category, is as follows:

	2024	2023
Executive directors and senior executives	10	10
Graduates, line personnel and clerical staff	3,189	3,495
Non-graduates/Unqualified staff	22	23
Sales staff	44	41
	4,265	**3,569**

Share rights remuneration plans

In 2023, the Board approved two share rights remuneration plans on the Parent's shares, intended for those responsible for the Group's management for the purpose of retaining and encouraging them. Both plans have a term of 3 years (vesting between 2025 and 2026), and they can be exercised provided that certain conditions related to the share price are met. A total of 272,354 shares are affected by the above plans.

The provisions recognised at the end of 2024 in this connection amounted to EUR 303 thousand and the effect on the income statement was EUR 1,635 thousand, which relates to the 155,093 shares obtained and distributed to the Group's managers.

The breakdown of the Company's staff by gender at the balance sheet date is as follows:

	2024			2023		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Executive directors and senior executives	9	1	10	9	1	10
Graduates, line personnel and clerical staff	2,983	1,672	4,655	2,381	1,309	3,690
Non-graduates/Unqualified staff	19	2	21	20	2	22
Sales staff	28	19	47	26	17	43
	3,039	**1,694**	**4,733**	**2,436**	**1,329**	**3,765**

The above figures include 750 subcontracted professionals (2023: 541 employees).

In 2024 there were 24 employees with a degree of disability of 33% or more, 22 employees included in the category of "Graduates, line personnel and clerical staff", and 2 employees in the category of "Unqualifed staff" (2023: 22 employees in the category of "Graduates, line personnel and clerical staff").

d) Outside services

The detail of this heading in the income statement is as follows:

	Thousands of Euros	
	2024	**2023**
Services	84,678	73,827
Rent and royalties	62,295	46,280
Independent professional services	54,339	43,955
Transport	18,141	14,458
Repairs and upkeep	6,060	5,965
Insurance premiums	11,132	11,544
Banking and similar services	49,532	44,949
Other	20,039	12,036
Total outside services	**306,216**	**253,014**

(Expressed in thousands of Euros)

22. Financial profit/(loss)

	Thousands of Euros	
	2024	**2023**
Finance income:		
From investments in equity instruments:		
Group companies and associates (Note 8)	5,955	79,522
From marketable securities and other financial instruments:		
From Group companies and associates	28,956	25,060
Third parties	16,024	10,476
	50,935	**115,058**
Finance costs:		
On debts to third parties	(39,426)	(42,231)
Other finance costs	(15,322)	(11,280)
	(54,748)	**(53,511)**
Net exchange differences	**22,242**	**(8,051)**
Impairment and gains or losses on disposal of financial instruments		
Impairment and other losses	(121,150)	(196,187)
Gains or losses on disposals (Note 8)	(1)	(568)
	(121,151)	**(196,755)**
Financial profit/(loss)	**(102,722)**	**(143,259)**

23. Contingencies

a) Contingent liabilities

The Company has contingent liabilities for bank guarantees and other securities related to the normal course of business. It is envisaged that no significant liability will arise from them in addition to those cases for which provisions were made as mentioned in Note 19.

In the normal course of business, and as is common practice among companies engaging in engineering and construction activities, the Company issued guarantees to third parties for a value of EUR 4,543,577 thousand (2023: EUR 3,913,611 thousand) to secure adequate fulfilment of the agreements.

The total guarantees provided include syndicated guarantee lines amounting to EUR 445,630 thousand (2023: EUR 542,485 thousand), of which EUR 378,139 thousand are subject to certain covenants, which were fulfilled at 31 December 2024. At the date of authorisation for issue of these consolidated financial statements, the ratio had been met and the ratio of equity attributable to shareholders/total balance sheet in excess of 9% is also expected to be met for 2025.

The Company's standard terms of business require it to issue technical guarantees in relation to the execution of the work (bank guarantees), which must be held for a certain period of time.

As mentioned in Note 5, there were borrowings amounting to EUR 8,184 thousand (2023: EUR 9,892 thousand) related to the construction of the concessions. Those loans (except for EUR 1,200 thousand) are secured with the stated concession assets.

The Company is party to certain judicial and arbitration disputes, framed in the closure process of the projects, with customers and suppliers. They most notably include the following:

KPP Finland

In 2021, KPP, a consortium established by Nestlé, Borealis and Veolia, initiated arbitration proceedings against TR, demanding both the penalties stipulated as a result of the delay in completion of construction (EUR 40 million, already paid at that time as compensation for additional costs) and for harm and loss as a result of the termination of the contract, which totals around EUR 165 million. Accordingly, the Company dismissed KPP's claims during the lawsuit and filed counterclaims requesting compensation for the unfounded termination of the contract and for ordered modifications, which amount to EUR 150 million.

On 30 January 2025, the first part of the award was received, whereby the tribunal declared that the consortium was entitled to terminate the contract, because the delay had reached the maximum limit. The total liability as a result of the delay amounted to EUR 39.5 million, for which provisions had already been recognised in full by TR in the project when the consortium terminated the contract (see Note 22.2 of TR's consolidated financial statements for 2020) and which was paid on that date.

The second part of the award, which will be paid in 2025, will relate to the claims for additional costs incurred by the consortium up until completion of the project. TR and its legal advisors do not consider that this claim will have a material economic impact in addition to that previously assessed and for which provisions have been set aside by Management.

MGT Teesside-UK

In May 2021, MGT Teesside, a consortium created by Macquarie and PKA, cancelled the EPC contract awarded to the TR and Samsung C&T consortium at a time when construction was more than 99% complete. The guarantees were enforced and used to finance the completion of the work and the outstanding amounts payable to the consortium. TR/Samsung immediately initiated arbitration proceedings, claiming that the termination of the contract was illegal and demanding restitution of the amounts subtracted as a result of the guarantees enforced, payment for the completed work not yet certified and compensation for the economic repercussions of Covid-19. The claims of TR/Samsung reach GBP 195 million, while MGT demands GBP 223 million, with GBP 118 million already received through the enforcement of guarantees, which was the amount of the provisions previously recognised by TR/Samsung in the project. An arbitral award is expected to be handed down in the first half of 2025, and the parties recently received confirmation of this by the ICC.

GTG Algeria

The arbitration dispute was initiated by TR in May 2022 due to the enforcement of guarantees by GTG (SONATRACH and NEPTUNE Energy consortium), which coincided with the diplomatic tension between Spain and Algeria, despite the fact that the provisional acceptance of the plant had been carried out two years earlier. TR claims that the guarantees were unduly enforced. TR claims EUR 166 million, including the recovery of the bank guarantees enforced. GTG's initial claims in the arbitration proceedings now amount to USD 110 million for penalties and guarantee claims. In November 2023, GTG filed a new claim for USD 822 million in lost profits. All of this has been considered by the arbitral tribunal, which recently established the new procedural calendar, whereby a ruling is not expected to be handed down before the end of 2026 at the earliest.

In addition to these disputes, there are a number of minor lawsuits mainly with subcontractors corresponding to the projects in Malaysia, Poland, Singapore and Finland, where, according to internal and independent third-party expert reports that are updated every six months, no negative outcomes are expected.

Each of these lawsuits was at a different stage in the proceedings at the date of authorisation for issue of these financial statements. The Company believes that the legal proceedings in the UK and Malaysia could be settled in 2025, with no immediate ruling expected for the other proceedings.

In the opinion of the directors, based on internal valuations and third-party expert reports, the potential liabilities arising from these lawsuits would be sufficiently covered by the provisions already recognised.

(Expressed in thousands of Euros)

b) Commitments

Fixed asset purchase commitments

There are no significant investment commitments in relation to asset purchases at the balance sheet date.

Operating lease commitments

The Company leases several premises under non-cancellable operating leases (see Note 6). These leases have variable terms, clauses by tranches and renewal rights. As a general rule, the Company is required to give notification six months prior to the end of these agreements.

The minimum future payments to be made for leases under non-cancellable operating leases are as follows:

	2024	2023
Less than 1 year	10,907	10,463
From 1 to 5 years	38,955	16,832

Suppliers and subcontractor purchase commitments

The Company has payment commitments with its suppliers, in addition to those recognised under 'Trade payables', as a result of orders in the preparation or construction phase that cannot be invoiced until the contractual milestones are reached. In this respect, the invoices to the Company's customers are issued in accordance with contractual milestones of a similar nature to those that the Company maintains with its suppliers.

24. Unincorporated temporary joint ventures (UTEs) and consortiums

Appendix I lists the UTEs and consortiums in which the Company has interests. The amounts shown below represent the Company's ownership interest, in accordance with the corresponding percentages, in the assets and liabilities, and the income and expenses of the UTEs. These amounts were included in the balance sheet and the income statement:

	Thousands of Euros	
Assets	**2024**	**2023**
Non-current assets	77,335	55,100
Current assets	2,113,104	1,237,006
	2,190,439	**1,292,106**
Liabilities		
Non-current liabilities	46,622	30,058
Current liabilities	1,933,505	1,053,407
	1,980,127	1,083,465
Net assets	**210,312**	**208,641**
Revenue	2,007,275	1,608,178
Expenses	(1,818,349)	(1,553,021)
Profit after tax	**188,926**	**55,157**

There are no contingent liabilities corresponding to the Company's share in the UTEs, or contingent liabilities of the UTEs and consortiums.

(Expressed in thousands of Euros)

25. Remuneration of directors and senior executives

a) Remuneration of Board members

The overall remuneration received by the members of the Company's Board of Directors during the years ended 31 December 2024 and 2023 is presented below:

	Thousands of Euros	
	2024	**2023**
Attendance fees for Board of Directors meetings	1,426	1,623
Wages and salaries	800	800
Life insurance premiums and pension plans	5	4
Services rendered to the Group	0	228
	2,231	**2,655**

Furthermore, the Group paid EUR 337 thousand and EUR 320 thousand in 2024 and 2023, respectively, as third-party liability insurance to directors and executives.

b) Remuneration of senior executives

In addition, in 2024 the Group's senior executives received remuneration (wages and salaries, both fixed and variable) totalling EUR 7,648 thousand (2023: EUR 6,832 thousand), advances of EUR 15 thousand (2023: EUR 0 thousand) and loans of EUR 0 thousand (2022: EUR 35 thousand).

The remuneration paid in 2024 includes a provision for the four-year remuneration earned amounting to EUR 1,526 thousand and EUR 1,635 thousand corresponding to the 2023-2026 share-based remuneration plan. In 2023, this amount included the four-year variable remuneration amounting to EUR 2,810 thousand (2020-2022).

c) Situations of conflict of interest involving the directors

The Company's directors do not have any issue to report in relation to section 229 of the Spanish Corporate Enterprises Act, enacted by Royal Legislative Decree 1/2010, of 2 July.

(Expressed in thousands of Euros)

26. Other transactions with related parties

a) Transactions with Group companies, jointly controlled entities and associates

The table below details the aggregates of the transactions with Group companies, jointly controlled entities and associates included in Note 8:

	Thousands of Euros	
2024	**Group companies**	**Jointly controlled entities and associates**
Services received	154,685	-
Total expenses	**154,685**	**-**
Services rendered	57,389	22,740
Finance income	28,846	100
Dividends received (Note 25)	-	5,955
Total income	**86,235**	**6,055**

	Thousands of Euros	
2023	**Group companies**	**Jointly controlled entities and associates**
Services received	121,692	-
Finance costs	3,675	784
Total expenses	**125,367**	**784**
Services rendered	229,455	72,604
Finance income	23,877	1,182
Dividends received (Note 25)	49,975	29,547
Total income	**303,307**	**30,729**

The services received and provided arise from the Company's normal business transactions and have been performed on an arm's-length basis.

In addition, the Company did not carry out any sale and purchase transactions for non-current assets with Group companies in 2024 or 2023.

27. Environmental information

In view of the business activities carried on by the Company, it does not have any environmental assets, provisions or contingencies that might be material with respect to its equity, financial position or results (see Note 4.3).

28. Events after the reporting date

As indicated in Note 20, on 21 February 2025, the Parent received notice from the Spanish tax authorities that they would commence tax audits of the Spanish tax group for corporation tax from 2020 to 2023 and for VAT and personal income tax from 2021 to 2023.

At the date of authorisation for issue of these financial statements, no significant subsequent events have taken place that require disclosure in addition to that indicated in the previous paragraph.

(Expressed in thousands of Euros)

29. Fees paid to auditors

The fees accrued for services engaged by the Company in 2024 from its auditors and other companies related to them are detailed as follows:

	Deloitte Auditores, S.L.		PWC*		Other companies of the PwC network*		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Audit services	**787**	**750**	**-**	**-**	**297**	**-**	**1,084**	**750**
Other non-audit services	**70**	**263**	**-**	**460**	**97**	**275**	**167**	**998**
Other attest services	26	212	-	460	-	-	26	672
Services required by the applicable regulations	44	51	-	-	20	-	64	51
Tax services	-	-	-	-	77	275	77	275
	857	**1,013**	**-**	**460**	**394**	**275**	**1,251**	**1,748**

PWC*: PricewaterhouseCoopers Auditores, S.L.

TÉCNICAS REUNIDAS, S.A.

APPENDIX I: UNINCORPORATED TEMPORARY JOINT VENTURES AND CONSORTIUMS IN WHICH THE COMPANY HAS INTERESTS

2024

Name	Business activity	% ownership	Name	Business activity	% ownership
TR Abu Dhabi BRANCH	Engineering services and project execution	100%	UTE TR HARADH GAS COMPRES	Engineering services and project execution	85%
Tecnicas Reunidas Germany	Engineering services and project execution	90%	UTE DECARB DUNKERQUE	Engineering services and project execution	50%
UTE VACA MUERTA	Engineering services and project execution	100%	UTE Villamartin	Engineering services and project execution	50%
TRSA India 37023	Engineering services and project execution	100%	UTE TR ADGAS	Engineering services and project execution	85%
TReunidas Branch Argelia	Engineering services and project execution	100%	UTE MARJAN	Engineering services and project execution	45%
TR Indonesia	Engineering services and project execution	100%	UTE TR NEC	Engineering services and project execution	15%
TR Kazajistán Branch	Engineering services and project execution	100%	UTE Centro de día	Engineering services and project execution	50%
TR SA ODDZIAL W POLSCE	Engineering services and project execution	100%	UTE TUBAN	Engineering services and project execution	85%
EP BANGLADESH	Engineering services and project execution	50%	UTE DECARB BREMEN	Engineering services and project execution	50%
EP JORDANIA	Engineering services and project execution	50%	TRD DUQM PROJECT	Engineering services and project execution	65%
TR KUWAIT BRANCH	Engineering services and project execution	100%	TR MOSCU BRANCH	Engineering services and project execution	100%
TR FINLAND BRANCH	Engineering services and project execution	100%	UTE TR Altamarca C. Viña	Engineering services and project execution	100%
UTE INTEGRATED PROJECT	Engineering services and project execution	15%	TR THAILAND BRANCH	Engineering services and project execution	50%
UTE TR JRTP JAZAN	Engineering services and project execution	15%	UTE PEIRAO XXI	Engineering services and project execution	50%
UTE TR TALARA	Engineering services and project execution	15%	UTE TR/GEA 21 COL.PLUVIA	Engineering services and project execution	80%
UTE TR OPTARA	Engineering services and project execution	85%	UTE PERELLÓ	Engineering services and project execution	50%
UTE TR/IN CONS.COMPL. VIÑA	Engineering services and project execution	85%	UTE TSK TR ASHUGANJ NORTH	Engineering services and project execution	50%
UTE TR MINATITLAN	Engineering services and project execution	15%	TR QATAR BRANCH	Engineering services and project execution	100%
UTE TR/IPI Refineria. de Sines	Engineering services and project execution	85%	UTE TR PHB JORDAN	Engineering services and project execution	50%
JV TR WISON	Engineering services and project execution	70%	SAMSUNG-TR JOINT VENTURE	Engineering services and project execution	29%
JV NPCC Técnicas AD	Engineering services and project execution	50%	EP UTE Hassi Messaoud	Engineering services and project execution	55%
UTE TR INTEGRATED GAS	Engineering services and project execution	15%	TR OMAN BRANCH	Engineering services and project execution	100%
TRSA INDIA 37007	Engineering services and project execution	100%	UTE HPP Gepesa	Engineering services and project execution	60%

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APPENDIX I: UNINCORPORATED TEMPORARY JOINT VENTURES AND CONSORTIUMS IN WHICH THE COMPANY HAS INTERESTS

UTE TR TSK SAN LUIS	Engineering services and project execution	50%	UTE TR TSK CC. GÓNZORTEGA	Engineering services and project execution	50%
UTE IGD	Engineering services and project execution	15%	TR Belgium Branch	Engineering services and project execution	100%
TR Maharashtra	Engineering services and project execution	100%	UTE TR JAFURAH	Engineering services and project execution	65%
UTE TR/Duro F. CTCC Besós	Engineering services and project execution	50%	UTE FAHDILI	Engineering services and project execution	50%
TR Branch Azerbaijan	Engineering services and project execution	100%	UTE DECARB GANTE	Engineering services and project execution	50%
UTE HASSI MESSAOUD PRJ.	Engineering services and project execution	55%	UTE TR BALONGAN	Engineering services and project execution	85%
UTE TR JURONG	Engineering services and project execution	85%	UTE TR MERCURY	Engineering services and project execution	85%
UTE DECARB EISSEN	Engineering services and project execution	50%	UTE MOSCOW REFINERY	Engineering services and project execution	90%
TR SHARJAH BRANCH	Engineering services and project execution	100%	TRSA India 33065	Engineering services and project execution	100%
TRSA India 33117	Engineering services and project execution	100%	TR SINGAPUR BRANCH	Engineering services and project execution	100%
UTE TR-SEI JAFURAH III	Engineering services and project execution	60%	UTE TR TSK CC. VALLADOLID	Engineering services and project execution	50%
HYUNDAI TR SPOLKA	Engineering services and project execution	45%	TECREUN MOROCCO BRANCH	Engineering services and project execution	100%
BX TR SPOLKA CYWILNA	Engineering services and project execution	50%	JV KUWAIT CONSORTIUM	Engineering services and project execution	50%
UTE TR BU HASA	Engineering services and project execution	15%	UTE Puerto de Barcelona	Engineering services and project execution	50%
JV SOHAR	Engineering services and project execution	50%	JV DASAIT	Engineering services and project execution	50%
UTE TSGI	Engineering services and project execution	33.33%	UTE TR Naphtha RT	Engineering services and project execution	70%
UTE TR TSK C.C. MÉRIDA	Engineering services and project execution	50%			

TÉCNICAS REUNIDAS, S.A.

APPENDIX I: UNINCORPORATED TEMPORARY JOINT VENTURES AND CONSORTIUMS IN WHICH THE COMPANY HAS INTERESTS

2023

Name	Business activity	% ownership	Name	Business activity	% ownership
TR Abu Dhabi BRANCH	Engineering services and project execution	100%	UTE TR HARADH GAS COMPRES	Engineering services and project execution	85%
UTE TR Naphtha RT	Engineering services and project execution	70%	UTE RAMBLA	Engineering services and project execution	40%
TR AUSTRALIA	Engineering services and project execution	100%	UTE Villamartin	Engineering services and project execution	50%
TRSA India 37023	Engineering services and project execution	100%	UTE TR ADGAS	Engineering services and project execution	85%
TReunidas Branch Argelia	Engineering services and project execution	100%	UTE MARJAN	Engineering services and project execution	45%
TR Indonesia	Engineering services and project execution	100%	UTE TR NEC	Engineering services and project execution	15%
TR Kazajistán Branch	Engineering services and project execution	100%	UTE Centro de día	Engineering services and project execution	50%
TR SA ODDZIAL W POLSCE	Engineering services and project execution	100%	UTE TUBAN	Engineering services and project execution	85%
UTE TR YANBU REFINERY	Engineering services and project execution	100%	UTE TR/TREC OPER.DESALAD	Engineering services and project execution	50%
EP BANGLADESH	Engineering services and project execution	50%	TRD DUQM PROJECT	Engineering services and project execution	65%
EP JORDANIA	Engineering services and project execution	50%	TR MOSCU BRANCH	Engineering services and project execution	100%
TR KUWAIT BRANCH	Engineering services and project execution	100%	UTE TR Altamarca C. Viña	Engineering services and project execution	100%
TR FINLAND BRANCH	Engineering services and project execution	100%	TR THAILAND BRANCH	Engineering services and project execution	50%
UTE INTEGRATED PROJECT	Engineering services and project execution	15%	UTE PEIRAO XXI	Engineering services and project execution	50%
UTE TR JRTP JAZAN	Engineering services and project execution	15%	UTE TR/GEA 21 COL.PLUVIA	Engineering services and project execution	80%
UTE TR TALARA	Engineering services and project execution	15%	UTE PERELLÓ	Engineering services and project execution	50%
UTE TR OPTARA	Engineering services and project execution	85%	UTE TSK TR ASHUGANJ NORTH	Engineering services and project execution	50%
UTE TR/IN CONS.COMPL. VIÑA	Engineering services and project execution	85%	TR QATAR BRANCH	Engineering services and project execution	100%
UTE TR MINATITLAN	Engineering services and project execution	15%	UTE TR/ SGS PISTA 18R	Engineering services and project execution	50%
UTE TR/IPI Refi. de Sines	Engineering services and project execution	85%	UTE TR PHB JORDAN	Engineering services and project execution	50%
JV TR WISON	Engineering services and project execution	70%	SAMSUNG-TR JOINT VENTURE	Engineering services and project execution	29%
JV NPCC Técnicas AD	Engineering services and project execution	50%	EP UTE Hassi Messaoud	Engineering services and project execution	55%

TÉCNICAS REUNIDAS, S.A.

APPENDIX I: UNINCORPORATED TEMPORARY JOINT VENTURES AND CONSORTIUMS IN WHICH THE COMPANY HAS INTERESTS

UTE TR INTEGRATED GAS	Engineering services and project execution	15%	TR OMAN BRANCH	Engineering services and project execution	100%
TRSA INDIA 37007	Engineering services and project execution	100%	UTE HPP Gepesa	Engineering services and project execution	60%
UTE TR TSK SAN LUIS	Engineering services and project execution	50%	UTE TR TSK CC. GÓNZORTEGA	Engineering services and project execution	50%
UTE IGD	Engineering services and project execution	15%	TR Belgium Branch	Engineering services and project execution	100%
TR Maharashtra	Engineering services and project execution	100%	UTE TR JAFURAH	Engineering services and project execution	65%
UTE TR ETO	Engineering services and project execution	85%	UTE FAHDILI	Engineering services and project execution	50%
UTE TR/Duro F. CTCC Besós	Engineering services and project execution	50%	UTE DECARB GANTE	Engineering services and project execution	50%
TR Branch Azerbaijan	Engineering services and project execution	100%	UTE TR BALONGAN	Engineering services and project execution	85%
UTE HASSI MESSAOUD PRJ.	Engineering services and project execution	55%	UTE TR MERCURY	Engineering services and project execution	85%
UTE TR JURONG	Engineering services and project execution	85%	UTE MOSCOW REFINERY	Engineering services and project execution	90%
TRSA India 33059	Engineering services and project execution	100%	TRSA India 33065	Engineering services and project execution	100%
TR SHARJAH BRANCH	Engineering services and project execution	100%	TR SINGAPUR BRANCH	Engineering services and project execution	100%
TRSA India 33117	Engineering services and project execution	100%	UTE TR TSK CC. VALLADOLID	Engineering services and project execution	50%
TECNICAS REUNIDAS FR BR	Engineering services and project execution	100%	TECREUN MOROCCO BRANCH	Engineering services and project execution	100%
HYUNDAI TR SPOLKA	Engineering services and project execution	45%	JV KUWAIT CONSORTIUM	Engineering services and project execution	50%
BX TR SPOLKA CYWILNA	Engineering services and project execution	50%	UTE Puerto de Barcelona	Engineering services and project execution	50%
UTE TR BU HASA	Engineering services and project execution	15%	EP SINES	Engineering services and project execution	100%
JV SOHAR	Engineering services and project execution	50%	JV DASAIT	Engineering services and project execution	50%
UTE TSGI	Engineering services and project execution	33.33%			
UTE TR TSK C.C. MÉRIDA	Engineering services and project execution	50%			

Directors' Report

1. Business performance

The macroeconomic environment

The global economic recovery is steady but uneven across countries in the wake of the COVID-19 pandemic, the conflict in Ukraine and rising prices in the face of supply shortages caused by external shocks. Inflation is falling faster than expected after peaking in 2022 and is having less of an impact on employment rates and economic activity than expected, as central banks have tightened monetary policies and kept inflation expectations anchored.

The IMF's projections are based on the assumption that current policies will remain unchanged at this time. They take into account recent market developments and the impact of growing trade policy uncertainty, which is assumed to be temporary, with the effects unwinding after about a year. Energy commodity prices are expected to decline by 2.6% in 2025. This is due to a drop in oil prices driven by weak Chinese demand and strong supply from non-OPEC+ countries (Organisation of Petroleum Exporting Countries plus certain non-member countries, including Russia), which has been partly offset by higher gas prices as a result of lower-than-expected temperatures and supply disruptions, in particular caused by the ongoing conflict in the Middle East and outages in gas fields. Monetary policy rates of the major central banks are expected to continue to decline, though at different paces, due to changes in the outlook for growth and inflation. Fiscal policy is expected to tighten during 2025-26 in advanced economies, particularly in the United States and, to a lesser extent, in emerging markets and developing economies.

Global growth is expected to remain stable. Growth forecasts, which are at 3.3% in 2025 and 2026, are below the historical average (2000-19) of 3.7%. In the case of advanced economies, growth forecast revisions point in different directions:

In the United States, underlying demand remains robust, reflecting strong wealth effects, a less restrictive monetary policy stance and favourable financial conditions. Growth is expected to be at 2.7% in 2025. This is 0.5 percentage points higher than the forecast made by the IMF for October 2024, in part reflecting the carry-over of funds from 2024 and robust labour markets and accelerating investment, among other signs of strength. Growth is expected to taper to its potential level in 2026.

In the euro area, growth is expected to pick up, but at a more gradual pace than anticipated in October, with geopolitical tensions continuing to weigh on sentiment. Weaker-than-expected activity at the end of 2024, especially in the manufacturing sector, and heightened uncertainty regarding the political outlook explain the downward revision of 0.2 percentage point to 1.0% in 2025. In 2026, growth is expected to rise to 1.4%, supported by stronger domestic demand, as financial conditions loosen, confidence improves and uncertainty dissipates to some extent.

In emerging markets and developing economies, growth rates in 2025 and 2026 are expected to be broadly match those in 2024. As regards the price projections given by the IMF, growth in 2025 for China has been marginally revised upward by 0.1 percentage point to 4.6%. In 2026, growth is projected mostly to remain stable at 4.5%, as the effects of trade policy uncertainty dissipate and the retirement age increases slows down the decline in the labour supply. In India, growth is projected to be a solid 6.5% in 2025 and 2026. In the Middle East and Central Asia, growth is projected to pick up in Saudi Arabia (4.5%). In Latin America and the Caribbean, overall growth is projected to accelerate slightly in 2025 to 2.5%, despite the expected slowdown in the largest economies of the region. Growth in sub-Saharan Africa is expected to pick up in 2025, while growth is forecast to slow down in emerging and developing economies in Europe.

World trade volume estimates have been revised downwards slightly for 2025 and 2026. This revision is due to the sharp increase in trade policy uncertainty, which is likely to hurt investment among firms heavily involved in international trade. However, the impact of the heightened uncertainty is expected to be transitory. Furthermore, the front-loading of some trade flows in view of elevated trade policy uncertainty, and in anticipation of tighter trade restrictions, provides some offset in the near term. Further progress on disinflation is expected to continue. The gradual cooling of labour markets should keep demand pressures at bay. Combined with the slight decline expected in energy prices, as indicated by the IMF, headline inflation should continue to fall toward central bank targets. That said, inflation is projected to be close to, but above, the 2% target in 2025 in the United States, whereas inflationary dynamics are expected to be more subdued in the euro area (2%).

The energy sector

The energy sector has recovered significantly to pre-pandemic levels of demand. Liquid fuel has reached an average demand of 103 mb/d 2024. The IEA therefore expects the relatively moderate pace of growth in global oil demand to continue in 2025, accelerating only modestly from the increase of 840,000 barrels per day estimated for 2024 to around 1.1 mb/d in 2025. In addition, demand is expected to continue to grow throughout this decade and start to decline from 2030 onwards.

Following the supply shock of 2022/23, natural gas markets moved towards a gradual rebalancing. Global demand for gas reached a new all-time high in 2024 and is expected to expand further in 2025, primarily supported by certain fast-growing markets in Asia. Meanwhile, the global gas market balance remains fragile. Below-average growth in liquefied natural gas (LNG) output has kept supply tight, while extreme weather events have added to market strains. Geopolitical tensions have continued to fuel price volatility. Although the disruption of Russian piped gas transit via Ukraine on 1 January 2025 does not pose an imminent threat to supply, it does pose a supply security risk for the European Union that could increase LNG import requirements and tighten market fundamentals in 2025.

Preliminary data indicate that natural gas consumption increased by 2.8%, or 115 billion cubic metres (bcm), year-on-year (y-o-y) in 2024, above the 2% average growth rate % between 2010 and 2020. Initial estimates indicate that natural gas met around 40% of the increase in global energy demand in 2024, which is a greater share than any other fuel. This relatively strong growth was mainly due to the Asia Pacific region, which accounted for almost 45% of incremental gas demand in 2024 on the back of the region's continued economic expansion. Gas use for industry and for the energy sector's own needs was the primary driver behind global trends and met almost 45% of demand growth. There was a modest recovery in Europe's industrial gas demand, although it remained well below pre-crisis levels.

Natural gas continues to displace oil and oil products in several sectors. This trend is supported by policies, regulations and market dynamics. In the Middle East, oil-to-gas switching in the power sector continued in 2024. In road transport, the rapid scaling up of LNG-fuelled trucks in China (with record sales in 2024) has contributed to lower the demand for diesel in the country. The use of LNG as a bunkering fuel is also expected to increase amid more stringent emissions regulations for shipping.

Energy commodity prices have also been reaching scenarios of high prices in recent years. Oil rose from USD 50 per barrel at the end of 2020 to USD 116 at the end of June 2022, closing 2023-2024 at around USD 80 per barrel. As for natural gas, the Henry Hub price closed in June 2022 at USD 6.5 per MBtu, and from there it has been stabilising at lower prices, closing at around USD 3.5 MBtu at the end of 2024. The main analysts and institutions that monitor the evolution of energy commodities foresee a sustained scenario of high prices for energy and its derivatives.

The scenario resulting from the conflict in Ukraine is entailing important decisions in Europe regarding the diversification of its energy, oil and natural gas supply, which will lead to additional investments to supply energy demand in Europe, thus replacing supplies from Russia and other countries subject to international sanctions. Before the disruption caused by the conflict in Ukraine, the main companies in the sector, both private companies and state-owned companies, were already pointing to a strong investment cycle stemming from the lack of investment since the mid-2010s and supported by a scenario of high crude oil and natural gas prices. These three factors (geopolitical scenario, lack of prior investment and a scenario of high prices) herald significant investment activity in the energy industry in the coming years, even against a backdrop of stable economic growth.

Técnicas Reunidas

This general macroeconomic environment and the energy industry in particular have given rise a flood of opportunities and awards in 2024 with projects that are diversified both in terms of segments and geographical areas.

These new awards, which amounted to EUR 4,800 million, have enabled Técnicas Reunidas' portfolio to return to maximum levels, not only regarding the size of the portfolio, but also its quality. All these new projects will be carried out in collaboration with strategic partners. The objective remains excellence in execution, mitigation of construction risk and efficient management of project risks in the procurement and commissioning phase. There is also steady progress regarding financial results, with continued growth in sales, operating margins and net profit, all of which contribute to strengthening the balance sheet.

Main financial figures

Sales amounted to EUR 4,451 million in 2024. Operating profit was EUR 181.2 million and net profit stood at EUR 89.9 million. The return to normal as regards the execution of projects following the pandemic and the initial uncertainties of the war in Ukraine, which are resolved for the most part, in addition to the solid investments and engineering execution capacity, explain the growth in sales and the improvement in operating margins and net profit.

The net cash position at the end of 2024 amounted to EUR 393.9 million. The Company used part of its operating cash flows to reduce its financial borrowings and strengthen its engineering capabilities in its core markets.

The average variable interest rate (spread) applicable to the debt was 2.29% in 2024 compared to 2.08% in 2023. The Company has continued to extend and diversify the maturity dates of its financial debt with a focus on the capital markets, in addition to repaying the Covid instruments (ICO, CESCE and SEPI-FASEE) acquired during the pandemic, in line with the improvement in the Company's results and liquidity, credit and solvency ratios.

The order backlog amounted to EUR 12,479.5 million at 31 December 2024 (compared to EUR 9,354.86 million at 31 December 2023). The most relevant projects (see the section on the main projects awarded), their diversification in terms of segments and technologies, and the sector's strong prospects and the normalised accrual rate of production during the year has led to a significant increase in the year-end backlog compared to 2023.

Access to EU funds for strategic companies and solvent companies

In mid-2020, the European Union launched mechanisms to help companies that were solvent before the appearance of COVID and that had been severely impacted by the pandemic. In Spain, these funds are managed by the Spanish State-Owned Industrial Holding Company (SEPI). On 22 February 2022, a financing package of EUR 340 million was granted to Técnicas Reunidas, structured into a participative loan of EUR 175 million and an ordinary loan of EUR 165 million. The first partial repayment of the ordinary loan, amounting to EUR 33 million, took place on 22 February 2024. In addition, the interest corresponding to the ordinary tranche, which amounted to EUR 3.3 million, and the interest on the equity tranche, amounting to EUR 10.7 million, was also paid on that date. The second partial repayment of the ordinary loan, amounting to EUR 49.5 million, took place on 24 February 2025, with the interest corresponding to the ordinary tranche, which amounted to EUR 2.6 million, and the interest on the equity tranche, amounting to EUR 13.5 million, also being paid.

Both tranches of the loan have a repayment period of four and a half years from when the loan is granted, maturing in August 2026. However, the ordinary tranche establishes partial repayments over the life of the loan, with EUR 82.5 million of the ordinary loan and EUR 175 million of the participative loan yet to be repaid at the date of authorisation for issue.

Técnicas Reunidas holds quarterly meetings with SEPI to monitor full compliance with all the conditions linked to the public aid granted and confirms that it will fully comply with the payment schedule agreed with SEPI in the financing agreements signed.

Main projects awarded and commercial milestones for Técnicas Reunidas in 2024

The projects awarded in 2024 amounted to EUR 4,800 million. The main projects awarded during the year were:

- **Jafurah III**. Aramco, one of the world's leading integrated energy and chemical companies, awarded the development of three gas compression plants in Jafurah, the largest unconventional gas field in the Kingdom of Saudi Arabia, to the joint venture formed by Tecnicas Reunidas (60%) and the Chinese group Sinopec (40%). The award also includes works to install a 230kV electrical connection in the area of the gas plant substation and to upgrade the water pump system. The total value of the project is estimated at approximately USD 2,240 million, of which 60% corresponds to Técnicas Reunidas. The project is expected to take around 44 months to complete and requires the involvement of more than 400 engineers, many of them specialising in chemical processes.

- **A petrochemical unit for KazMunayGas.** A consortium led by KazMunayGas, the Kazakh state oil and gas company, awarded the development of a steam cracker to the joint venture formed by Técnicas Reunidas and the Chinese group Sinopec. The contract awarded is part of the strategic agreement signed by Sinopec and Técnicas Reunidas last year. The investment required to develop the unit totals around EUR 2,300 million, with 50% corresponding to each partner of the joint venture. Sinopec will provide financial support to execute the project. The US company Lummus Technologies has been selected as the technology licensee for the project. The unit, a steam cracker, which is the heart of any petrochemical complex, will use gas from the Kazakh fields to generate petrochemicals. It will contribute around 1,300 kilotonnes of ethylene per year to production.

- **Energy projects in the Middle East** (for clients that cannot yet be disclosed). The three combined cycle plants will have a total installed capacity of 7.3 gigawatts, representing a key development for Middle East. To date, the contract amounts total a value of more than EUR 2,200 million. The three contracts were entered into through an EPC scheme, whereby construction risk is shared with a business partner, and the execution of these projects is expected to last around 44 months until final commercial operation. The scopes of the projects are currently being carried out under a 'limited notice to proceed', but the 'full notice to proceed' is expected to be received when the PPAs are finally signed in the first quarter of 2025. Over the past 6 months, progress has been made regarding the engineering services, reserving major equipment and geotechnical studies.

- **Vaca Muerta.** VMOS, S.A., an investee of YPF and Argentina's largest energy company, awarded Técnicas Reunidas the contract for engineering and management services related to the Vaca Muerta project, the large oil field extending over 30,000 square kilometres over several provinces in central Argentina. This oil project is the largest in the country and has one of the largest unconventional oil and gas reserves in the world. The work entrusted to TR includes engineering, procurement and construction management services under an EPCm contract for a hydrocarbon storage and dispatch terminal at Punta Colorada, on the coast of the province of Rio Negro. The value of the contract awarded to Técnicas Reunidas amounts to USD 440 million, of which more than USD 70 million will correspond to engineering and project management services. The total investment to be made by YPF and its partners to fully full implement the terminal will be around USD 1,800 million. The work assigned to Técnicas Reunidas will be carried out by engineers from the Company's centres in Madrid, Argentina and Chile. Execution of the project will require around 1 million man-hours of work.

In addition, the Company continued to sign several major service contracts, including feasibility studies, FEEDs and other engineering awards, in which the low-emission technologies segment has played a prominent role.

Various important commercial milestones were also reached in 2024, including the following:

-The relaunch of the Hassi Messaoud project for Sonatrach, Algeria's state-owned oil company. This project was initially awarded to TR in December 2019; however, it was suspended shortly after as a result of the Covid pandemic. Over the past few years, we have actively collaborated with our client to navigate the complexities and to resume implementation of the project. Last November, Técnicas Reunidas and Sonatrach reached a final agreement to reactivate the project with changes made to many elements with respect to the initial contract signed. On the one hand, the project will be executed jointly by TR and Sinopec, with TR's share being 51%, and it will be the leading company in the consortium. On the other hand, the contract value for TR has been updated and set at approximately EUR 2,100 million. Sinopec's participation in executing the Hassi Messaoud project enhances TR's capabilities and strengthens TR's position to deliver the project efficiently for Algeria. The project is of strategic importance to the Algerian government, as it aims to increase domestic production of energy products to meet growing local demand.

- **Regarding the Ceyhan project**, which consists of developing a polypropylene production plant in the province of Adana (Turkey), Sonatrach and its Turkish partner Ronesans Holding announced in September 2024 the final investment decision for the project, with the contract value for Técnicas Reunidas standing at approximately EUR 550 million. Sonatrach has a 34% share in this project through its international subsidiary Sonatrach Petroleum Investment Corp, and a 66% share through Ronesans Holding participates. This project includes a complex equipped with a propane dehydrogenation unit (PDH), a polypropylene (PP) unit and common units (utilities and storage facilities). Sonatrach will guarantee the supply of propane under a long-term agreement based on current prices in global markets.

Energy transition

In 2023 Técnicas Reunidas launched Track, its energy transition and decarbonisation strategy, and continued its consolidation in 2024. The main purpose of Track is to consolidate Técnicas Reunidas' position as a benchmark company in industrial decarbonisation. As part of this strategy, a specialised unit was created to be at the forefront of technological, regulatory and market developments, to provide its clients with a comprehensive service to boost the viability and success of energy transition projects.

The Track strategy is based on three pillars:

- For new projects using low-carbon technologies, Track is providing engineering services in the early development stages of these projects, helping its clients to define the investment cases. Track is also developing investment opportunities in new plants based on low-emission technologies together with major industrial and infrastructure clients. By the end of 2024, the total potential investment by our clients associated with this activity amounted to EUR 4,000 million.

  In addition to these new initiatives, Técnicas Reunidas has the recognised capacity to provide technological plant definition services (FEED) and project execution services (EPC or similar schemes).

- For existing assets with decarbonisation needs, Track is creating two new services:

  Carbon management for large industrial companies. The aim of this service is to offer carbon capture outsourcing to companies with regulatory demand for decarbonisation. For many of these companies, managing the carbon value chain can be a significant challenge. Track is developing this recurring service to facilitate this decision making.

  Methane management, for companies producing or processing oil or gas. The emission of methane into the atmosphere has a significant effect on global warming. Track is developing a service to identify, quantify, mitigate and control methane emissions. This service will also be recurring.

- Track's third pillar involves facilitating the entry of Técnicas Reunidas into new sectors with significant decarbonisation needs, such as cement, steel, the non-metallic materials industry, etc., carbon-intensive sectors, with emissions that are difficult to reduce, and Track can help with their decarbonisation.

Significant achievements have been reached since its launch. Técnicas Reunidas was awarded more than EUR 320 million in projects related to low-emission technologies between 2023 and 2024. These awards involve engineering service contracts for projects in the hydrogen value chain, biofuels or carbon capture.

As a whole, those projects in which Técnicas Reunidas has been involved in their design to date, if executed, would avoid the emission of more than 47 million tonnes of carbon dioxide into the atmosphere, equivalent to 20% of Spain's emissions.

For Técnicas Reunidas, the decarbonisation of the economy is a strategic growth line and is expected to make a significant contribution to revenue in the second half of this decade.

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

- **In the hydrogen value chain:**
  - For Atlas Agro, execution of the FEED of a green fertiliser plant located on the west coast of the United States, with a production capacity of 650,000 tons per year.
  - For Fortescue, in Norway the execution of the FEED for a green ammonia plant with a green hydrogen production capacity of 300 MW using electrolysers.
  - For Copenhagen Infrastructure Partners, the execution of the FEED for a 500 MW green hydrogen production plant using electrolysers in Andorra (Teruel).
- **In biofuels:**
  - For a confidential client, the construction of a semi-industrial demonstration plant for the production of synthetic fuels from green hydrogen and carbon captured from industrial processes.
  - For CEPSA, at its facilities in La Rábida, in Huelva, the engineering and purchase of equipment and materials for the project to produce biodiesel and sustainable aviation fuel (SAF).
  - For a confidential client, the execution of basic engineering services for the auxiliary facilities of a project to produce biodiesel and SAF.
- **In carbon capture:**
  - For a confidential client, the pre-FEED engineering services for carbon capture in steam production plants.
  - For the Pembina-Marubeni consortium, the pre-FEED engineering services for a blue ammonia production plant in Canada.
  - For SSE, the execution of the FEED for carbon capture in a combined cycle power plant located in Peterhead, Scotland.
  - For a confidential client, the pre-FEED engineering services for a blue hydrogen production plant for subsequent use in combined cycle electricity generation.
  - For a cement plant in Spain, pre-feasibility studies on the capture and logistics of transport and storage of more than 700,000 tonnes of carbon per year.

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

2. Research and development activities

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

Research and technological development projects are being carried out at its Technology Centre, where more than 70 people work, including graduates and doctors of different disciplines.

In addition, the centre provides technology development and scaling services (55 people currently carry out activities related to scaling up electrolysis and catalysts technologies, with several pilot plants currently in operation) and technical assistance services, collaborates with the transfer of research findings between various public research centres, technology centres and Técnicas Reunidas, and promotes and participates in cooperative research programmes between companies.

Técnicas Reunidas allocated more than EUR 10 million to R&D in 2024. In 2024 Técnicas Reunidas continued its work on the following Spanish and European technology and research and development projects:

Circular Economy

- HALOMET® technology: waste treatment technology for the incineration of municipal waste to recover zinc and other metals.
- SEA4VALUE project: European project (HORIZON 2020) to develop valuable metal recovery technologies from brine produced in desalination plants.
- DUST project: development of technology for the treatment and direct reuse of steel dust, with the main objective of recovering the zinc present in it.
- ECOTRON project: recycling of electronic devices, the organic substrates and valuable metals present in them.
- ECLIPSE project: recycling and recovery of complex polymeric waste to obtain new polymers.
- Plastics2Olefins project: participation in a consortium to design a Plastics Recycling Demo plant to obtain high-value products. TR participates in engineering development, process optimisation and technology integration.
- COMAR project: a project to recover composite materials, which studies catalytic technologies for separating and recovering the different components so they can be reused.

Hydrogen and carbon dioxide capture

- SHINEFLEET project: covers the entire hydrogen value chain, from production to end use, including the development of compact renewable and blue hydrogen generators for the heavy transport industry.
- ZEPPELIN project: study and development of innovative and efficient technological solutions for the production and storage of green hydrogen based on the circular economy. The project is working on producing hydrogen from waste using catalytic and thermochemical techniques.
- UNDERGY project: studies technologies for the development of seasonal storage of renewable energy with green hydrogen integrated into a smart grid. The main axes are: study of underground storage of renewable energy using green hydrogen and creating an efficient energy management system.
- HYMET project: development of new technologies applicable to the decarbonisation of the iron and steel industry and reusing its by-products. The project is studying how to recover waste by means of a reduction reactor, the generation of green hydrogen, and how to reuse captured carbon dioxide.
- EFISOEC project: development of technology for the production of green hydrogen using SOEC (Solid Oxide Electrolyzer Cell) technology.
- HY2DEC project: development and validation of new emerging technologies for the production and use of hydrogen and green oxygen, as well as carbon dioxide capture, and their integration in intensive Spanish industrial processes with the aim of advancing in their decarbonisation.
- H2toGreenCeramics project: applied research for the production of green hydrogen on site in the Ceramic Cluster and the energy optimisation of melting furnaces using an oxy-fuel combustion process.
- AEMPOWER project: Development of technology to build validate a high-power electrolysis module based on anion exchange membranes (AEM).
- ASTRA project: To investigate and validate low-temperature CO_2 electrolysis technology (CO2RR) to generate carbon monoxide (CO) using anion exchange membranes (AEM) and thus contribute to carbon neutral solutions.
- VCAL project: Development of the demonstrator (TRL 7) of the vacuum-assisted calcium looping technology developed by TR together with INCAR to capture and purify CO_2 from direct emissions from energy-intensive industries (EII).

Critical Raw Materials

- PHOS4LIFE® technology: for the production of technical grade phosphoric acid from sewage sludge incineration ash.
- RARETECH® technology: for the production of rare earth concentrates from monacite-type minerals.

- RECYCLION® technology: for the recovery of critical raw materials (Li, Co, Ni, P and graphite) from recycling electric vehicle batteries.
- BIORECOVER project: recovery of rare earths and platinum from primary and secondary sources.
- PERTE VEC FUTURE FAST FOWARD project: an initiative in which Técnicas Reunidas will develop the RELOAD project for the recovery of critical raw materials and high-value metals from batteries, motor supermagnets and electronic components of electric vehicles.
- SUNRISE PV: Técnicas Reunidas participates as a technologist and engineer to develop new processes for the recovery and reuse of critical materials and components in the solar photovoltaic value chain.
- MINETHIC project: development of technologies for the recovery of critical raw materials that are essential for decarbonisation, such as rare earths, cobalt, lithium, nickel, manganese, phosphorus, etc., from various by-products and waste.
- PERMANET project: creation of Europe's first complete value chain for the production of permanent magnets including: extraction, processing and refining of rare earths; manufacturing of permanent magnets and their subsequent recycling.

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

  Chemical Processes
- POWER2HYPE project: development and demonstration of a new process for producing hydrogen peroxide, changing the established energy-demanding chemical route to a sustainable electrochemical route.

3. Capital structure

Share capital consists of 80,301,265 shares with a par value of €0.10 per share. There is only one class of shares and therefore they all have the same rights and obligations. There are no restrictions on the transfer of the shares.
Significant shareholdings are as follows:

Shareholder	2024 % ownership interest*	2023 % ownership interest
Aragonesas Promoción de Obras y Construcciones, S.L.U.	5.16%	5.16%
Araltec Corporación, S.L.U.	32.39%	32.39%
Francisco García Paramés	4.90%	5.26%
Álvaro Guzmán de Lázaro Mateos	3.33%	5.97%
Other shareholders (including free float)	51.49%	48.46%
Treasury shares	2.73%	2.76%
TOTAL	**100.00%**	**100.00%**

** Ownership interest taken from the Company's shareholder register. These percentages do not coincide with those available on the website of the Spanish National Securities Market Commission for the Company since some of the significant shareholders did not need to update their shareholding because they have not exceeded any of the notification thresholds set out in the applicable regulations.*

The Group's founder and honorary president, José Lladó Fernández-Urrutia, passed away on 14 February 2024. As a result of the distribution of Mr. José Lladó's inheritance in 2025, the Lladó family's ownership interest in the Parent is as follows:

Shareholder	Indirect ownership interest
Pilar Arburúa	5.16%
Araltec, S.L.	32.39%

The detail of this indirect ownership interest is as follows:

Indirect holder	Direct holder	Direct ownership interest
Pilar Arburúa	Aragonesas Promoción de Obras y Construcciones, S.L.U.	5.16%
Araltec, S.L.(*)	Araltec Corporación, S.L.U.	32.39%

(*) The share capital of Araltec, S.L. has been distributed among different members of the Lladó family, without any of them having a controlling interest.

Likewise, Ms. Pilar Arburúa holds a direct 0.07% interest in the Company's share capital.

4. Restrictions on voting rights.

In accordance with Article 16 of the Articles of Association, at least 50 shares must be held in order to attend the General Meetings.

5. Shareholder agreements.

There are no agreements of this type.

6. Rules applicable to the appointment and replacement of Board members and to amendments to the Company's Articles of Association.

The Annual Corporate Governance Report provides a detailed description of these rules relating to the Board of Directors. The most relevant aspects are:

Articles 17 to 22 of the Board Regulations regulate the appointment and removal of the directors of Técnicas Reunidas; establishing that:

1. The Directors will be appointed, following a report by the Appointment and Remuneration Commission, by the General Meeting or by the Board of Directors in accordance with the provisions of the Corporate Enterprises Act.

2. The Board of Directors will ensure that the selection of candidates involves persons of recognised solvency, competence and experience.

3. To fill an independent director position, the Board of Directors may not propose or appoint persons that hold any executive position at the Company or in its Group or that are associated through family and/or professional relationships with the executive directors, other senior executives and/or shareholders of the Company or its Group.

4. Directors will be appointed for terms of four (4) years, notwithstanding the possibility that they may be removed early by the General Shareholders Meeting. They may be re-elected one or more times for equal terms at the end of their mandate.

5. Independent directors will cease in their positions when they have held the seat for an in interrupted period of 12 years as from the time of the listing of the Company's shares on the market.

6. Directors must place their offices at the disposal the board of directors and, at the board's discretion, formalise the resignation in the following cases:

   - When they cease to hold the executive position with which their appointment as Board members is associated.

   - When they become subject to any incompatibility or prohibition provided for by law.

   - When they receive any serious reprimand from the Board of Directors for failing to have carried out their duty as Directors.

   - When their remaining on the Board may jeopardise the Company's interests or when the reasons for which they were appointed no longer exist (for example, when a proprietary director disposes of his/her interest in the Company).

7. Powers of Board members, and in particular those relating to the possibility of issuing or repurchasing shares.

The Board of Directors has the usual management and representation powers, in accordance with the powers envisaged by the Corporate Enterprises Act, and it is the Company's highest decision-making body except in matters reserved to the General Meeting.

The Chairman also holds the same powers as the Board of Directors (except for those established in Article 25 relating to the election of the Chairman and the Deputy Chairmen, or those that cannot be delegated in accordance with the law or internal corporate regulations) and on 25 June 2020 was delegated all powers of the Board that could be delegated.

Article 5 of the Board Regulations stipulates that the Board's functions regarding the powers relating to the possibility of issuing or buying back shares:

- The execution of the treasury share policy within the framework of the authorisation provided by shareholders at a general meeting.

- The determination and approval of the Company's general policies and strategies, including the treasury share policy and, in particular, its limits.

- The approval of the Company's most relevant operating decisions concerning investments and shareholdings in other companies, financial transactions, contracting and staff remuneration.

8. Significant agreements entered into by the Company that may come into effect, be amended or terminated in the event of a change in control in the Company as a result of a takeover bid.

No agreements of this type exist.

9. Agreements between the Company and its administrative or management personnel that provide for termination benefits in the event of resignation or unfair dismissal or if the employment relationship ends as a result of a takeover bid.

The Executive Chairman's contract provides for financial compensation in the event of removal from office or wrongful termination of the contractual relationship with the Company that serves as a basis for the remuneration of delegated or executive functions not due to a breach attributable to the director, for a maximum amount equal to the amount of the last two annual payments of (a) fixed remuneration, (b) variable remuneration, and (c) the amounts received under the special social security agreements that have been entered into, where applicable. These termination benefits would amount to EUR 2,726 thousand.

In turn, a senior executive contract provides for financial compensation in the event of removal from office or wrongful termination of the contractual relationship with the Company not due to a breach attributable to the senior executive, for a maximum amount equal to EUR 3,505 thousand.

Finally, as regards the contracts of two employees who terminated their contractual relationship with the Company for a period of time and subsequently rejoined the Company, the date of seniority for the purpose of calculating, where applicable, termination benefits has been established as the date of the initial contract signed by each of these two employees with the Company.

10. Average period of payment to suppliers.

The average period of payment is as follows:

	Thousands of Euros	
	2024	**2023**
Average period of payment to suppliers	95	99
Ratio of transactions paid	96	92
Ratio of transactions payable	94	118

	Thousands of Euros	
	2024	**2023**
Total payments made	1,931,683	1,353,079
Total payments pending	666,410	451,977

These figures relate to projects in multiple regions. With respect to Spanish suppliers, the Company may, as an exception, exceed the stipulated due dates in cases of invoices that do not comply with the terms of the agreement because they are not officially fulfilled, due to guarantees not being received or due to breach of other obligations of suppliers under the signed service agreement or order, or other reasons related to the normal performance of the transaction.

The calculation is made taking into account the date of registration of the invoice in the system. On that date, not all the invoices are due since they may not comply with the contractual requirements established. In addition, this debt is not enforceable in accordance with 'paid when paid' clauses.

In accordance with the new regulations under section 9 of Law 18/2022, of 28 September, in addition to the above information, the following information is provided:

Number (units)	**2024**	**2023**
Invoices paid prior to compliance with the maximum legal period for payment to suppliers	71,101	63,154
Percentage out of total number of supplier invoices	66%	73%
Volume (thousands of Euros)		**2023**
Invoices paid prior to compliance with the maximum legal period for payment to suppliers	662,592	428,523
Percentage out of total number of supplier invoices	34%	32%

11. Significant events after the reporting period.

As indicated in Note 20, on 21 February 2025, the Parent received notice from the Spanish tax authorities that they would commence tax audits of the Spanish tax group for corporation tax from 2020 to 2023 and for VAT and personal income tax from 2021 to 2023.

At the date of authorisation for issue of these financial statements, no significant subsequent events have taken place that require disclosure in addition to that indicated in the previous paragraph.

12. Treasury shares

At 31 December 2024, treasury shares represented 2.73% of the Company's share capital (2023: 2.76%), and totalled 2,191,252 shares (2023: 2,219,634 shares), with a weighted average price of EUR 33.66 per share (2023: EUR 33.26 per share).

13. Financial instruments

See Note 7 to the financial statements.

Non-financial information of the Técnicas Reunidas Group, to which the Company belongs:

In accordance with Spanish Law 11/2018, of 28 December, and by virtue of the new wording of section 262.5 of the Commercial Code, the Company is not required to present the Statement of Non-Financial Information, as this information is included in the Consolidated Directors' Report of the Técnicas Reunidas Group, the head of which is Técnicas Reunidas, S.A., and that will be filed, together with the Consolidated Financial Statements, with the Commercial Registry of Madrid.

Corporate Governance Report and Directors Remuneration Report

The Técnicas Reunidas Annual Corporate Governance Report and the Directors Remuneration Report for 2024 form part of the Directors' Report and are available on the website of the Spanish National Securities Market Commission and on the Técnicas Reunidas, S.A. website from the date of publication of the financial statements.