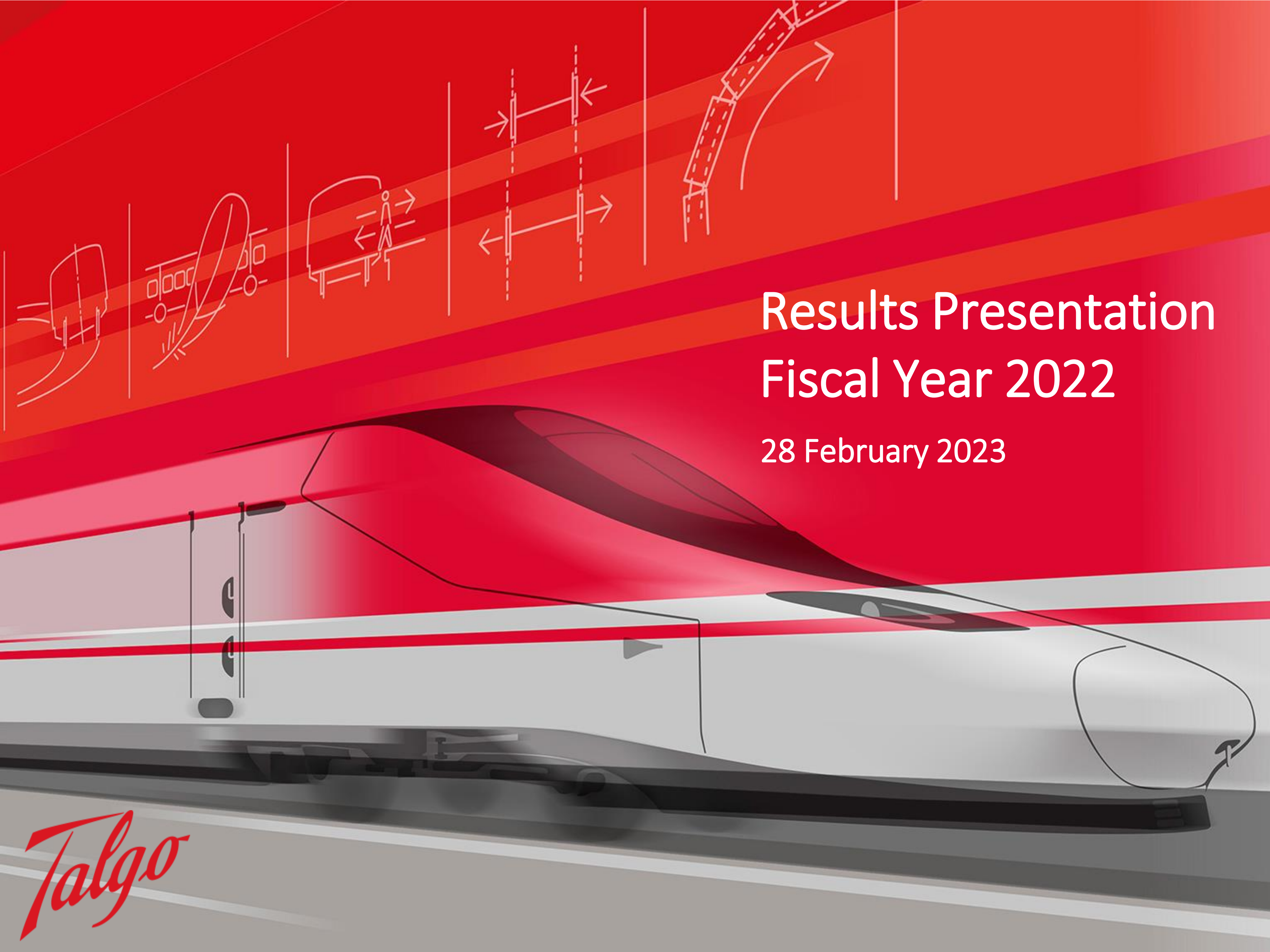

Results Presentation Fiscal Year 2022

28 February 2023

Talgo

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Executive Summary – Key Highlights

- **High social commitment** with highest Health & Safety standards and employee engagement.
- **Environmental policies** across all operations and developments.
- **Corporate Government** best practices implemented.

	FY-2022
Freq. Index.	**9.96[1]**
CO2 emmisions	**4.815[2]**
Board members	**10 (-33%)**

- **Challenging 2022** with increases in raw materials costs, inflation and supply chain disruptions impacting manufacturing margins.
- **Maintenance remained strong** with leading technologies underway.

	FY-2022
Backlog	**€2,748 m**

- **Cost-control action plan contributing to stabilize margins** although still reflects inflation impact on existing backlog.
- **New debt issued in 2022 anticipating increasing interest rates** with c. 90 €m of new debt issued. **Resulting sound financial profile** with strong capacity to finance current and future projects
- **Net income impacted by extraordinaries** (Russia and NOLs reversals)

	FY-2022
Revenues	**€469.1 m**
aEBITDA mg.	**11.2%[3]**
NFD	**€97.4 m**

- **Strong revenues increase expected for FY-2023f**
- Outlook reflects **current backlog margins**.
- **Outstanding commercial momentum** with significant opportunities ahead to enhance order intake in 2023.

	FY-2023f
Revenues	**40%[4]**
aEBITDA mg.	**12.0%[3]**
NFD	**2.0x[5]**
Order intake	**2.0x Btb[6]**

1) Industrial accidents per million man-hours worked. Includes Talgo Group FTEs
2) tCO2eq
3) Adjusted EBITDA margin
4) Calculated as total revenues in the period 2023-2024 over FY2022 backlog (€2,748 m)
5) Times LTM Adjusted EBITDA
6) Book to bill ratio.

Source: Company

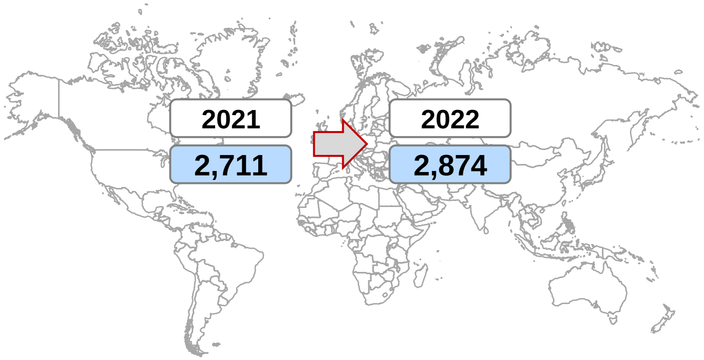
I. ESG

- Employee Management Business Model **:**
  - **Health & Safety highest standards** in the industry as main priority, with the objective to target zero accidents in the business activity.
  - Launch of new **talent and professional careers management model** to encourage employee-company engagement.
- Corporate governance and business:
  - Creation of **Sustainability and Strategy Commission** with comprehensive assumption of all key ESG levers.
  - Approval of the **2022-2024 ESG plan** with 29 strategic projects and 94 goals.
  - **Talgo's economic activities considered "eligible"** in >90% (Regulation of sustainable finance).
- Environmental management:
  - Publication of the 1st Talgo environmental product declaration (Avril model) resulting on a product recyclability rate of 94% while rated as the **train with lowest CO2 emissions in the world.**
  - **Smart factories** maximizing safety while reducing waste generation and energy consumption (ie solar panels).
  - **R&D focused on operational efficiency** (ie Industry 4.0) and products (ie Hydrogen).

Operational Risk Prevention main figures

	2022	2021
Frequency Index[1]	9.96	8.51
Severity Index [2]	0.22	0.25
Board members (#)	10	15
CO2 emissions (tCO2eq)	4,815	5,171
Indefinite employment rate	90.9%	93.3%

Talgo's workforce (# employees)



(1) Industrial accidents per million man-hours worked. Includes Talgo Group FTEs
(2) Number of working days per 1,000 hours worked. Includes Talgo Group FTEs

Source: Company

II. Business performance (I/II)

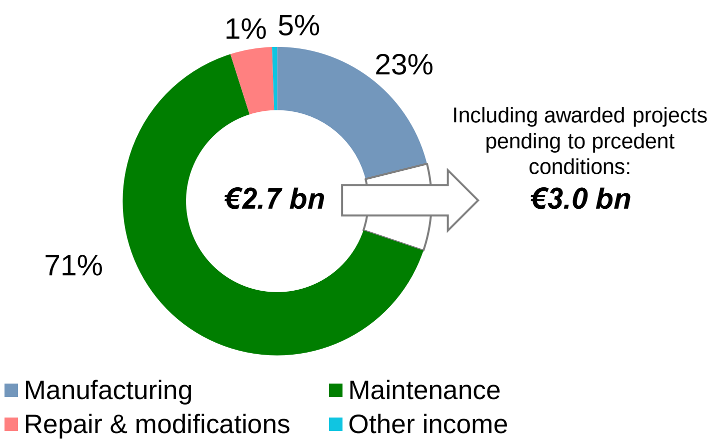
Operating challenges	Action plan
Inflation / Raw materials	➢ **Updated salary base** for 2021-22 agreed with unions (9.2% in two years). ➢ **>70% backlog** with indexation clauses (maintenance contracts). ➢ **Back-to-back client/suppliers reducing** exposure to prices volatility. ➢ **Pass-through to clients in new projects** with indexation clauses. ➢ **Cost hedging structures.**
Supply Chain	➢ **Increasing suppliers base** to enhance flexibility. ➢ **Suppliers relocation** strategy to promote agility and reduce disruptions. ➢ **Strengthening requirements and guarantees** to ensure performance.
Industrial capacity	➢ **Rescheduled** existing manufacturing projects. ➢ **Product and manufacturing processes standardization** to optimize manufacturing lines and existing developments.
Other challenges	➢ Working capital alternative structures to **mitigate cash flow unevenness.** ➢ **Services in Russia cancelled** in march 2022 (<1% of revenues). ➢ **LACMTA (USA) contract terminated by client** under litigation process. ➢ ***Force majeure*** claimed in contracts.

Source: Company

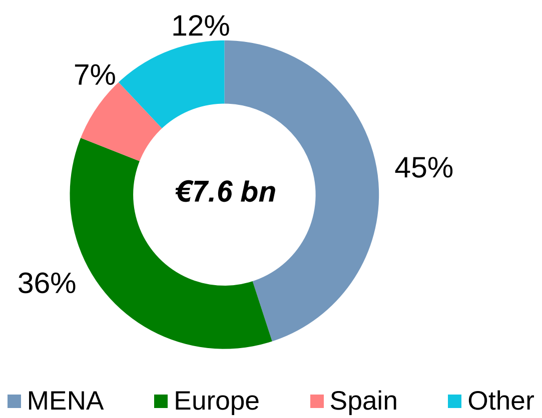
II. Business performance (II/II)

- Company **backlog stood at €2.7 bn in FY-2022, which reaches €3.0 bn when considering the contracts already awarded** pending to precedent conditions
  - Manufacturing backlog most significant projects comprises DB *Talgo 230* trains (Germany), Renfe VHS powerheads (Spain) and DSB *Talgo 230* coach compositions (Denmark).
  - Maintenance represents 71% of the backlog and comprise services provided to clients in seven countries.
- No new significant contracts registered in 2022. However, **industry outlook has gained momentum** supported by **decarbonisation of transport in the coming years** and reflected in latest industry research expectations.
- **Europe and MENA countries as main growing markets for Talgo**
  - **Over €2.0 bn in contract extensions** for the short and medium term…
  - … while approaching new tenders with value amounting over €5.0 bn mainly in VHS and long-distance.

Backlog FY-2022



Pipeline by geographical area 2022-2023[1]



(1) The pipeline may experience modifications both in terms of tender periods and scope. Estimates based on available information. Maintenance subject to availability

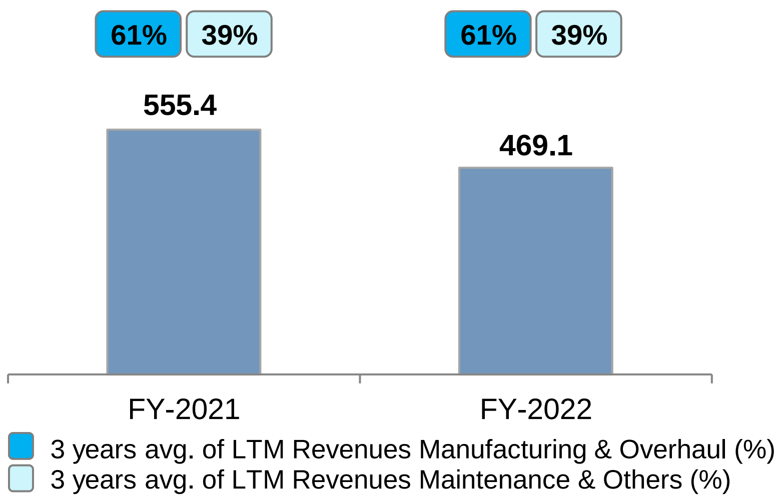
Source: Company

III. Financial results – P&L

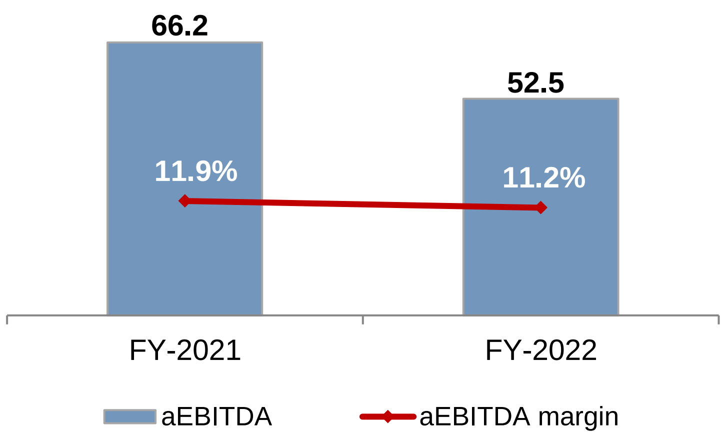
- **Revenues reached €469.1 m in the period**, 15% below previous year as a result of:
  - Impact of **delays caused by supply chain disruptions** in manufacturing, to be recovered in 2023.
  - **Change in mix of projects**, from Spain VHS and Egypt to DB and DSB.
  - **Maintenance services fully restated** after Covid-19.
- **aEBITDA reached €52.5 m with margins at 11.2%,** reflecting on one hand, the supply chain and inflation impact, and on the other hand, **margins stabilization and progressive recovery since 2Q2022.**

	FY-2022
Revenues	**€469.1 m**
aEBITDA	**€52.5 m** ***(11.2%)***
Net income	**€1.4 m**

Revenues - YoY (€m)



aEBITDA (€m) and margin (%)



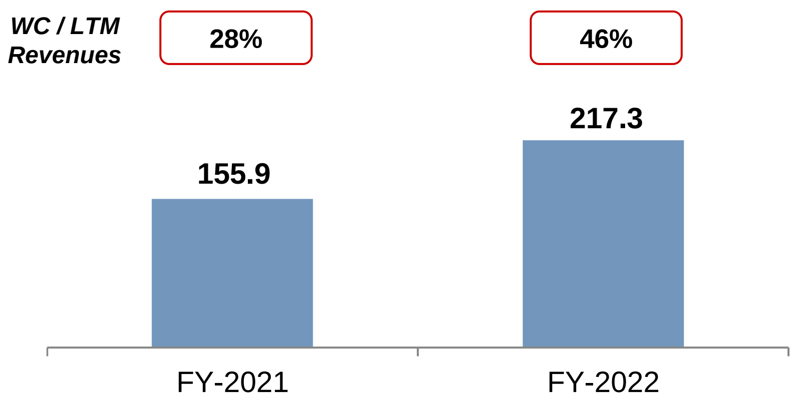
Source: Company

III. Financial results – Balance Sheet

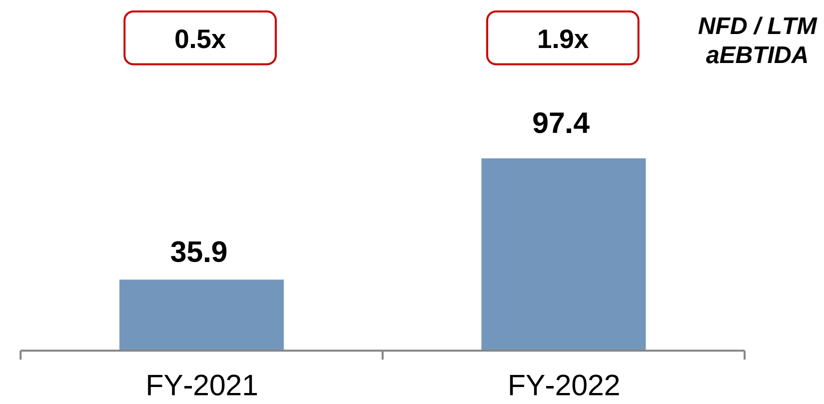
- Working Capital and Net Financial Debt increased in the period reflecting current manufacturing phases:
  - Renfe VHS project **cash-ins are expected for 2023 as trains deliveries start.**
  - **AAD[2] structure (DB project)** used in line with project degree of completion.
- Strong financial capacity with **over €400 m of liquidity**, considering project based and banking financing**.**
- **64% of current long-term debt is at fixed cost (1.7% avg. debt cost) and 2.5 years average maturity.** However recent hikes in interest rates will impact financial result on future new debt issuances and projects financing structure.

	FY-2022
Working Capital	**€217.3 m**
Free Cash Flow	**€(32.2) m**
Net Financial Debt[1]	**€97.4 m** ***(1.9x)***

Working Capital (€m)



Net Financial Debt[1] (€m)



1) Net Financial Debt excludes repayable advances with entities belonging to the Spanish Public Administration relating to R&D, which are not considered financial debt due to their recurrence and subsidized interest rates.
2) Abstract Acknowledge of Debt

Source: Company

III – Outlook FY2022 review and FY2023 targets

	Targets FY2022	Performance FY2022	**Targets FY2023**
Profitability	✓ Adjusted EBITDA: **c. 11%**	✓ **c. 11%**	**c. 12%**
Capital structure	✓ Working Capital: **Cash consumption**	✓ **+ €51 m**	**Stable WC**
	✓ Net Debt: **c. 2.5x aEBITDA**	✓ **1.9x**	**c. 2.0x**
	✓ Capex: **c. €25 m**	✓ **€21 m**	**c. €30 m[1]**
Business performance	✓ Backlog execution: **c. 32%**	✓ **32% in 2021-22**	**40%[2] in 2023-24**
	✓ Book-to-Bill: **c. 1.0x**	✗ **0.1x**	**> 2.0x**
Shareholder remuneration	✓ **Shareholder Remuneration Program** of €10 m	✓ **€10 m**	**€12 m[3]**

Business resilience reflected in 2022 results while forecasts 2023 shows revenues and margins recovery

1) Does not include project R&D investments.
2) Over backlog FY2022.
3) Subject to GSM approval. To be preliminary implemented through a Scrip Dividend and share buy back program

Source: Company

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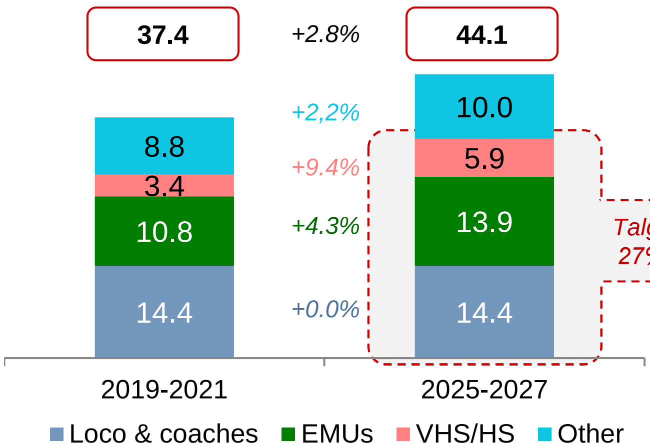
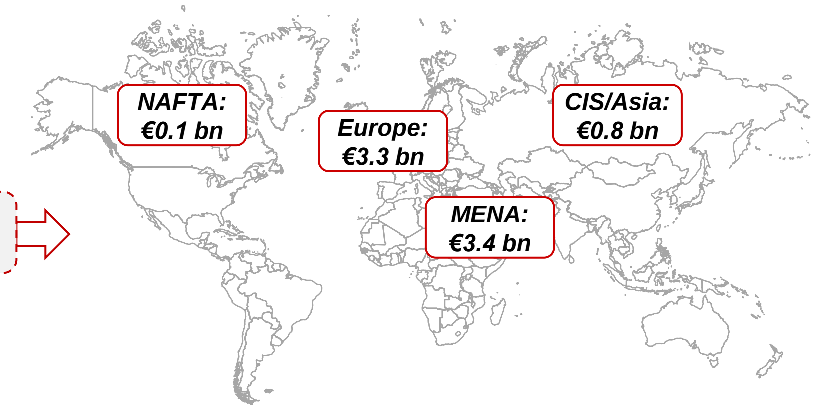
Commercial activity

Rolling stock market and Talgo's pipeline[1]



Talgo pipeline 2023-2024: €7.6 bn



Input

- Commercial and execution track-record in recent years
- State-of-the-art technology
- Best-in-class efficiency ratios for operators
- Framework agreements in place
- Indexation clauses in offers

Context

- Railroad passenger transportation industry, key to successfully address decarbonization process in global transport system
- Liberalization process of European rail map
- Volatile prices evolution

Output

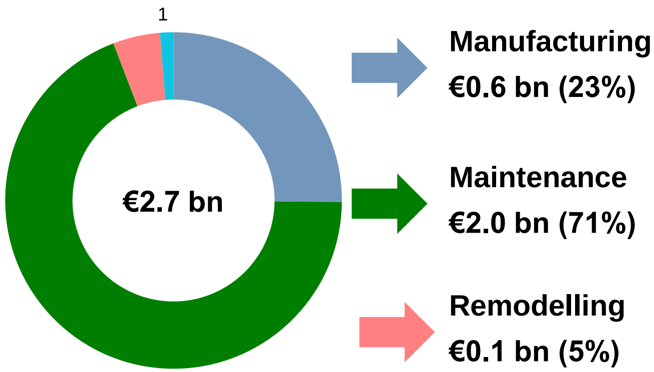
Talgo's outstanding positioning in the long-distance segments to address growing opportunities

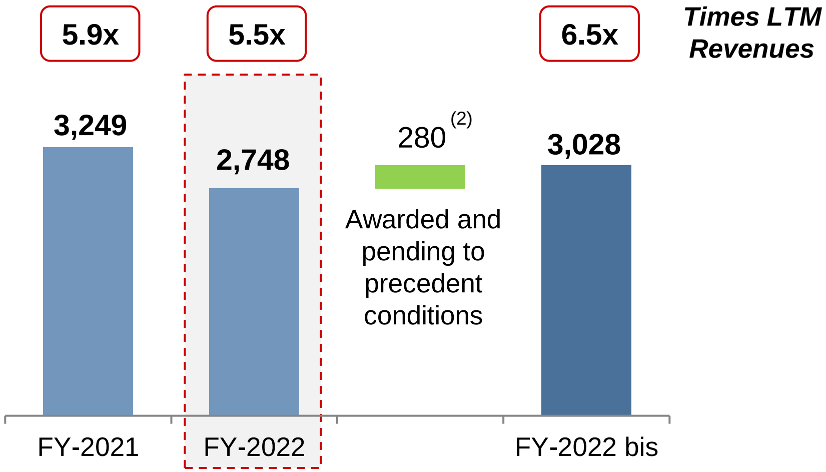
(1) Accessible market. The pipeline may experience modifications both in terms of tender periods and scope. Estimates based on available information. Maintenance is included subject to availability.

Source: Company

Backlog breakdown

Backlog FY-2022





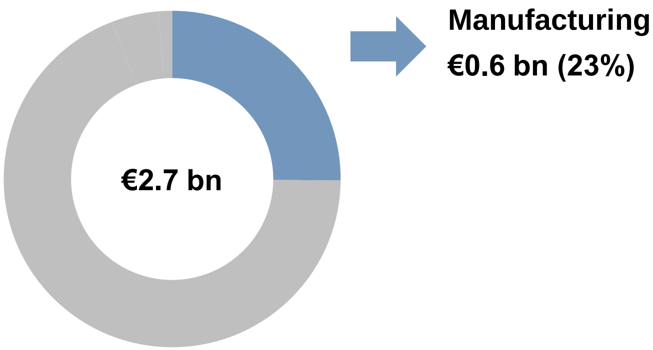
- **Backlog as of December 2022 amounted €2.7 bn, of which 71% corresponds to maintenance services** which provides long-term revenues visibility supported by a consolidated and steady growing maintenance backlog.
- **Manufacturing backlog mainly comprising by international projects** (Germany and Denmark) expected to be executed in the following 24/36 months years activity expected for the following years driven.
- The current backlog provides an **upside in both business lines:**
  - **Manufacturing with over €2.0 bn through extensions in projects** in Germany, Denmark and Saudi.
  - Maintenance services with the **addition of new fleets currently under manufacturing,** into the installed base.

(1) Includes maintenance equipment and components
(2) Includes Egypt night trains project signed in august 2022 and pending to finance approval as precedent conditions.

Source: Company

Manufacturing projects – High Speed

Backlog FY-2022



Renfe Avril VHS (Spain)

- Project scope – €900 m:
  - Manufacture of 30 VHS “Avril” trains.
  - Maintenance for a period of 30 years[1].
- Project status:
  - **Under dynamic testing activity.**
  - **Significant testing milestones recently achieved** ensures the start of deliveries in the coming months.
  - **Strong cash collections expected** as trains are delivered.
  - Delays caused by COVID-19 and supply chain disruptions communicated to client.

Renfe VHS powerheads (Spain)

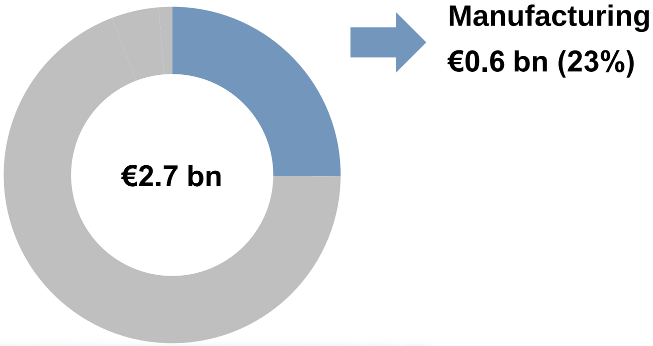
- Project scope – €161 m:
  - Manufacture of 23 powerheads and the maintenance[1] of 13 trains.
  - Option for additional 12 Powerheads.
- Project status:
  - Under execution.

(1) Maintenance will be executed through a JV Talgo/RENFE

Source: Company

Manufacturing projects – Long distance / Passenger coaches

Backlog FY-2022



DB Talgo 230 km/h (Germany)

- Project scope – €550 m (€2.3 bn)[1]:
  - Framework contract for the manufacture of up to 100 Talgo 230 trains.
  - Initial order for the manufacture of 23 trains.
  - **Second order under negotiation.**
  - **Maintenance scope under negotiation.**
- Project status:
  - **Under manufacturing phase.**
  - **AAD[(2)] structure** implemented throughout the life of the project.

DSB Talgo 230 (Denmark)

- Project scope – €152 m (€500 m)[1]:
  - Framework contract worth up to €500 m.
  - Initial order for the manufacture of 8 trains, along with technical assistance and materials.
  - **Second order under negotiation.**
- Project status:
  - **Under manufacturing phase.**

ENR Talgo 160 km/h (Egypt)

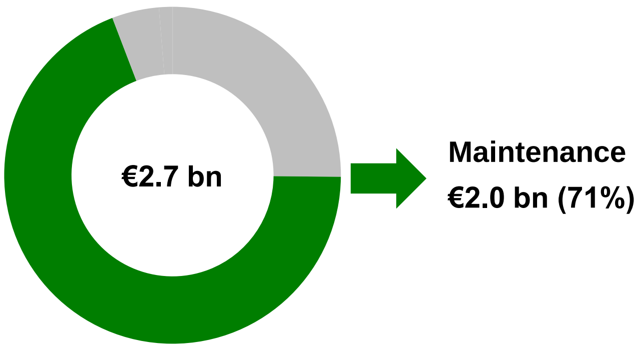
- Project scope – €157 m:
  - Manufacture of 6 trains and their maintenance for a period of 8 years.
- Project status:
  - **In local testing activities and delivery.**

(1) Approximate maximum scope of the framework contract.
(2) Abstract Acknowledge of Debt, with access for up to 60% of the total value of the contract, which allows the project cash collection in advance.

Source: Company

Light maintenance projects

Backlog FY-2022



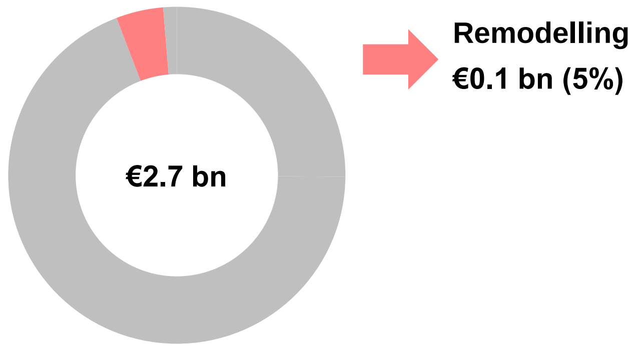
Location of fleet maintained

- Commercial services **resumed during 2022 reaching pre-Covid levels in all markets.**
- **Launching maintenance services new markets (Egypt),** where Talgo new trains are being delivered.
- Strong maintenance backlog:
  - All **contracts are inflation indexed**, thus protected to prices volatility.
  - Recurrent **cash flow contributor** and low capital intensive.
  - **Growing installed base** to increase revenues in the coming years**.**
- Maintenance activity provided in Russia was cancelled in March 2022 and related scope removed from the backlog (c. €160 m). Revenues however, accounted for c. 1% of total group annual revenues (2021 figures).

Source: Company

Overhaul / heavy maintenance projects

Backlog FY-2022



Metrolink remodelling (USA)

- Project scope – $35 m:
  - Remodelling of up to 121 vehicles with an initial order for 50 vehicles
- Project status:
  - **In the execution phase.**

Conversion of night trains into VHS (Spain)

- Project scope – €107 m:
  - Conversion of Talgo S7 compositions[1].
  - The initial project includes 156 coaches (13 compositions) with an option for additional 72 coaches (6 compositions).
- Project status:
  - **In the execution phase.**

Remodelling of HS compositions (Spain)

- Project scope – €35 m:
  - Activities to remodel and update 44 compositions of HS trains.
  - **New scopes under negotiation.**
- Project status:
  - **In the execution phase.**

LACMTA remodelling (USA)

- Project scope – $73 m:
  - Activities to repair and overhaul 74 coaches of the Red Line.
- Project status:
  - **Project terminated as per communication received from client in H-1 2022,** thus works have been stopped pending to further resolution.
  - **Currently under litigation process with the client.**

(1) Talgo "night trains"

Source: Company

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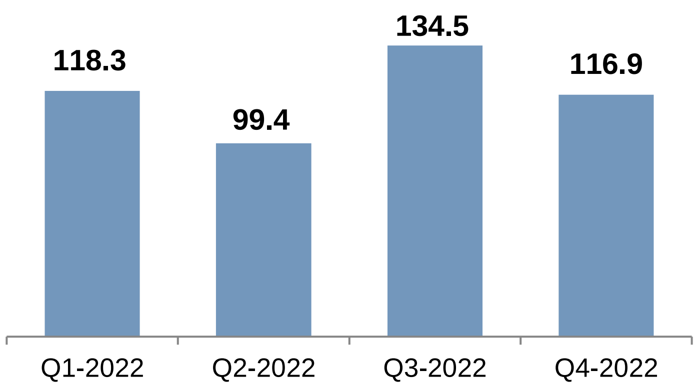
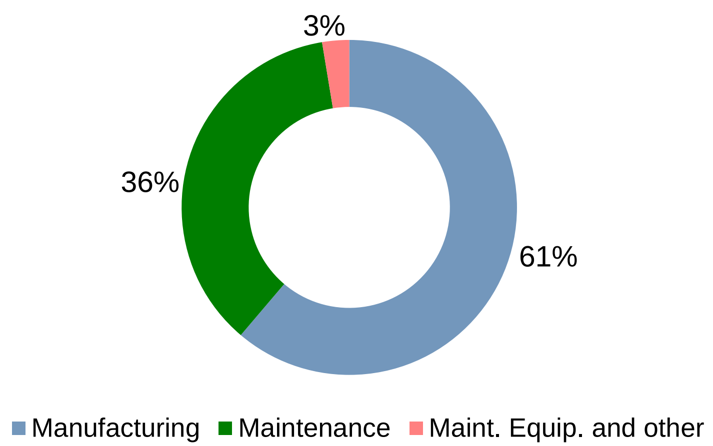
Profit & loss – Revenues

Quarterly revenues (€m)



Revenues by business line[1] (€m)

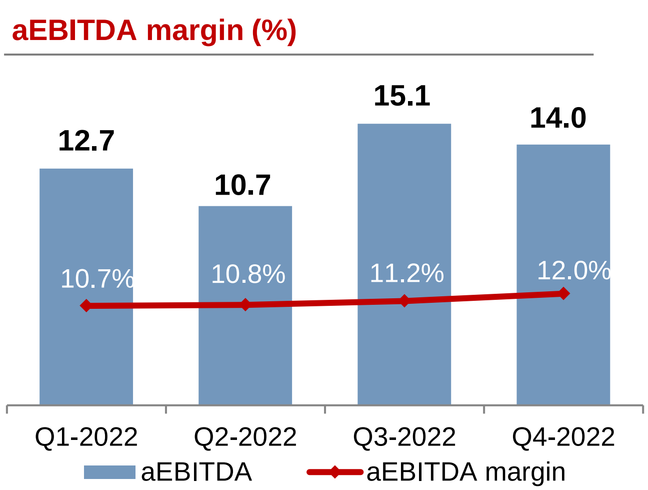


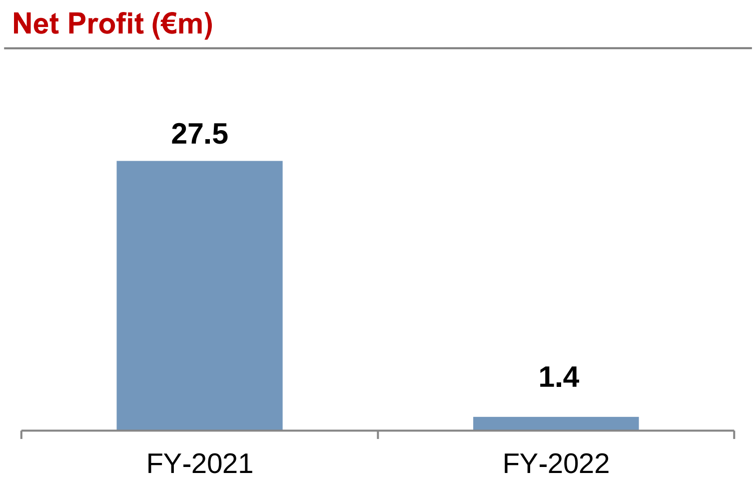
- Revenues reached €469.1 m in FY-2022, below previous year due to **lower pace of manufacturing projects mainly caused by supply chain disruptions.**
- Manufacturing revenues weighting over total revenues remain high despite the lower manufacturing activity in last quarters, as a result of the Covid-19 impact on maintenance services in the period 2020-2022.
- The main **manufacturing revenues contributors** in the period were DB (Germany), ENR (Egypt), DSB (Denmark) projects, as well as overhaul and refurbishment projects, mainly the projects for Renfe in Spain.

(1) Calculated as an average of revenues registered in the period 2020-2022

Source: Company

Profit & loss – EBITDA and Net Profit





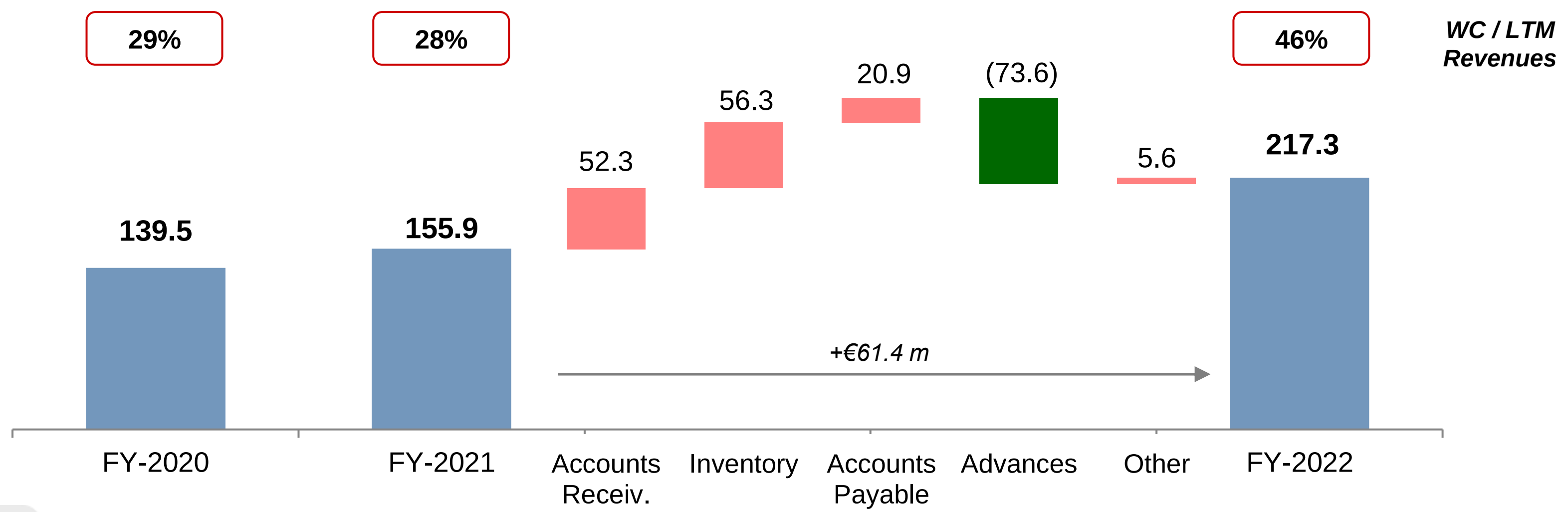
- **aEBITDA amounted to € 52.5 m** in FY-2022 (margin of 11.2%):
  - **Margins reviewed downward due to inflation** (higher than budgeted costs) **and delays caused by supply chain disruptions** (higher number of working hours) impacting mainly manufacturing projects.
  - Implemented mitigation action plan already visible with **stabilized and under recovery margins**.
  - **Maintenance services contracts comprise indexation** clauses to adjust prices on annual basis.
- **Net Profit decreased to €1.4 m** in the period mainly due to:
  - Significant **interest rates hikes undertaken by central banks** impacted long-term debt and project financing costs and subsequently increased group's financial expenses.
  - Higher depreciation expenses recognised in the period mainly due to **Russia provisions**.
  - **Tax loss carryforwards reversed** in the period from the USA subsidiary.
  - High effective corporate tax reflecting **different results in the markets with presence**.

Source: Company

Balance Sheet – Working Capital

- **The Working Capital decreased in H2-2022 reflecting underlying cash flow volatility usually registered the execution period of projects**. However, WC increased in the one-year period to reach €217.3 m in FY-2022.
- Reschedule of manufacturing projects reducing degree of advance in 2022 results on 1) delays in collection milestones 2) higher inventories and suppliers payments.
- **Spain VHS project as main working capital upward driver**, with the whole fleet already finished (30 trains) and pending to testing approvals that will activate deliveries and subsequent strong cash-ins.
- **On the other hand, DB project (Germany) registered advance payments from AAD[1] in the period**, taking into consideration the project degree of progress.

Working Capital (€m)



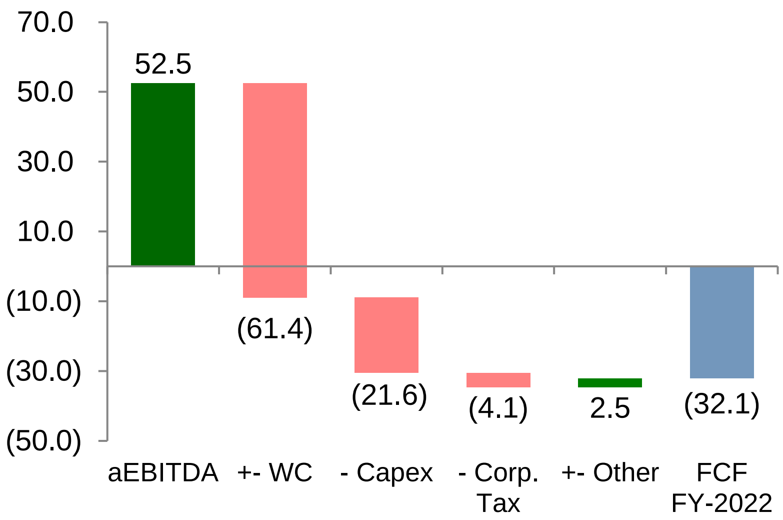
Source: Company

(1) Abstract Acknowledge of Debt, with access to advance payments for up to 60% of the contract value.

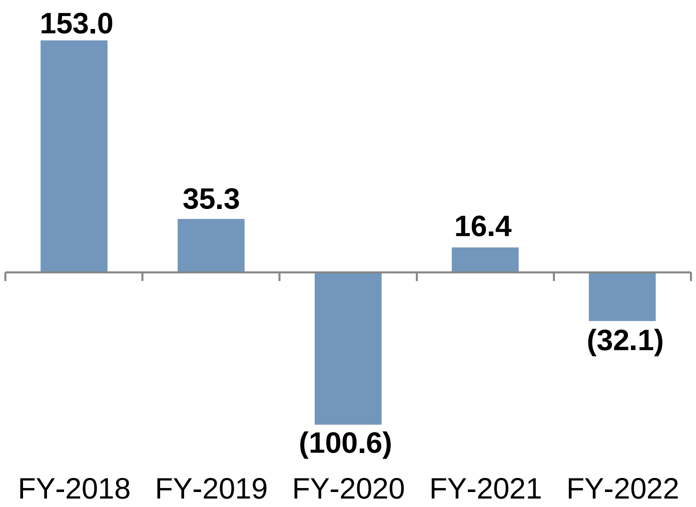
Cash Flow – Free Cash Flow

- Current manufacturing cycle, together with delays caused by supply chain disruptions registered in the period resulted on **higher cash investments in Working Capital, offsetting the aEbitda generated in the period.**
- Working Capital mainly reflects degree of progress of projects, rather than pending collections. In this regard, WC **profile risk is low** (low technical and cash collection risks). On top of this, **cash-ins are expected to increase as manufacturing projects recover normal pace and delivers accelerate.**
- **Capex amounted to €21 m in the period**, in line with forecast at the beginning of the year, of which **74% corresponds to R&D activities and 12% to increasing of capacity.**

Conversion of aEBITDA into FCF in FY-2022 (€m)



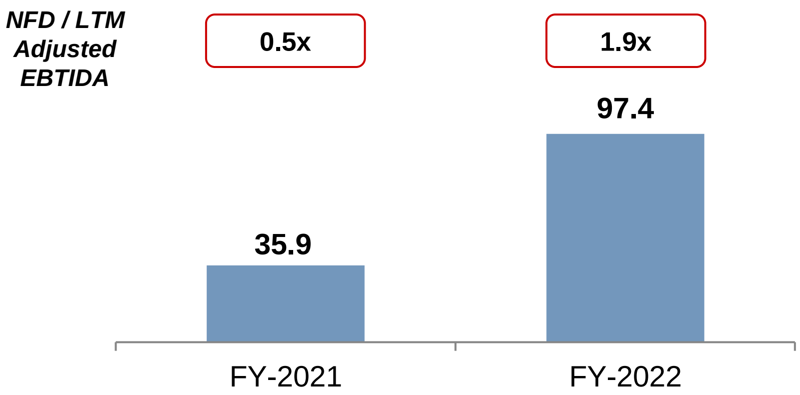
Free Cash Flow (€m)



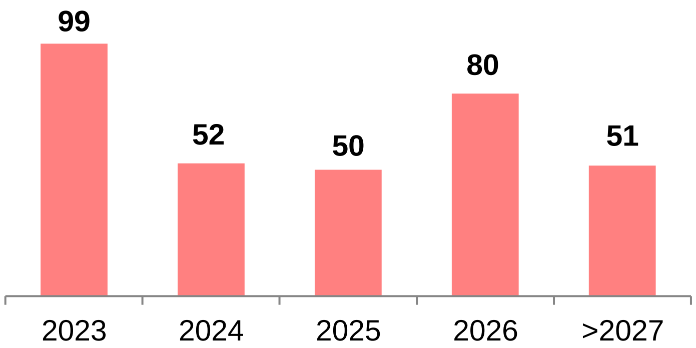
Source: Company

Balance Sheet – Net Financial Debt

Net Financial Debt (€m)[1]



Total financial debt[2] – Repayment schedule (€m)



- **Average long-term debt maturity** at 2.5 years with an average cost of 1.7%.
- **Year 2022 has been a turning point regarding the financing market** driven by a hawkish monetary policy from central banks increasing interest rates with the aim to mitigate inflation. **Talgo however issued debt in excess during 2021 and beginning of 2022 anticipating this context.**
- **High financing capacity with over €400 m of liquidity** considering current gross cash, available credit lines and project-based financing structures (i.e. AAD).

Financial debt breakdown (€m)

	Gross LT Debt (€m)	Avg. Maturity (y)	Average Cost (%)
FY-2019	256.5	3.03	1.72%
FY-2020	279.1	3.12	1.61%
FY-2021	268.4	3.40	1.03%
FY-2022	320.1	2.45	1.68%

64% of long-term debt is at fixed cost

34% of 2023 maturities are fixed cost loans

(1) Net Financial Debt excludes repayable advances with entities belonging to the Spanish Public Administration relating to R&D, which are not considered financial debt due to their recurrence and subsidized interest rates
(2) Includes long-term loans maturities for 2023 and short-term debt comprising credit lines and financial leasings.

Source: Company

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Annex 1. P&L

Profit & Loss Account (€m)	2022	2021	% Change
Total net turnover	**469.1**	**555.4**	***(15.5%)***
Other income	15.3	12.4	*23.1%*
Procurement costs	(211.0)	(317.2)	*(33.5%)*
Employee welfare expenses	(150.7)	(142.5)	*5.8%*
Other operating expenses	(73.4)	(47.5)	*54.4%*
EBITDA	**49.3**	**60.6**	***(18.6%)***
% Ebitda margin	*10.5%*	*10.9%*	
Other adjustments	3.2	5.6	*(43.5%)*
Adjusted EBITDA	**52.5**	**66.2**	***(20.7%)***
% Adj. Ebitda margin	*11.2%*	*11.9%*	
D&A (inc. depreciation provisions)	(22.8)	(19.2)	*19.2%*
EBIT	**26.5**	**41.4**	***(36.1%)***
% Ebit margin	*5.6%*	*7.5%*	
Other adjustments	3.2	5.6	*(43.5%)*
ViTtal Amortization	2.2	2.2	-
Adjusted EBIT	**31.9**	**49.3**	***(35.3%)***
% Adj. Ebit margin	*6.8%*	*8.9%*	
Net financial expenses	(11.5)	(5.7)	*100.8%*
Profit before tax	**15.0**	**35.7**	***(58.1%)***
Tax	(13.5)	(8.2)	*65.8%*
Profit for the period	**1.4**	**27.5**	***(94.8%)***

Source: Company information

Annex 2. Balance sheet

Balance Sheet (€m)	Dec 2022	Dec 2021	Dec 2020
FIXED ASSETS	**265.9**	**262.9**	**257.0**
Tangible + intangible assets	129.4	122.0	115.2
Goodwill	112.4	112.4	112.4
Other long term assets	24.0	28.5	29.3
CURRENT ASSETS	**868.9**	**768.6**	**645.9**
Inventories	189.5	133.2	145.3
Non- current assets held for sale	0.0	0.0	0.0
Accounts receivable	416.1	363.9	260.2
Other current assets	23.8	18.6	12.0
Cash & cash equivalents	239.4	253.0	228.3
TOTAL ASSETS	**1,134.8**	**1,031.5**	**902.9**

Balance Sheet (€m)	Dec 2022	Dec 2021	Dec 2020
SHAREHOLDERS EQUITY	**285.1**	**290.9**	**257.7**
Capital Stock	37.2	37.2	38.2
Share premium	0.9	0.9	0.9
Consolidated reserves	4.4	2.8	1.5
Retained earnings	243.6	249.5	240.1
Other equity instruments	-0.9	0.6	(23.1)
NON-CURRENT LIABILITIES:	**326.4**	**339.5**	**329.2**
Debt with credit institutions	232.3	248.1	238.4
Provisions	50.2	51.0	53.5
Other financial liabilities	32.1	28.6	26.7
Other long-term debts	11.8	11.9	10.7
CURRENT LIABILITIES:	**523.2**	**401.1**	**316.0**
Accounts payable	410.2	357.5	265.4
Debt with credit institutions	99.1	36.0	41.1
Other financial liabilities	12.0	5.3	6.9
Provisions for other liabilities and other	1.9	2.2	2.6
TOTAL S. EQUITY + LIABILITIES	**1,134.8**	**1,031.5**	**902.9**

Source: Company information

Annex 2. Balance sheet (2)

Financial debt (€m)	Dec 2022	Dec 2021	Dec 2020
Long term financial liabilities	232.3	248.1	238.4
Short term financial liabilities	99.1	36.0	41.1
Financial leasings	5.4	4.7	6.9
Cash & cash equivalents	(239.4)	(253.0)	(238.3)
Net financial debt	**97.4**	**35.9**	**48.1**
Adjusted EBITDA LTM	52.5	66.2	34.2
Net financial debt / Adj EBITDA (LTM)	**1.9x**	**0.5x**	**1.4x**

Balance Sheet - Working Capital (€m)	Dec 2022	Dec 2021	Dec 2020
Inventories	189.5	133.2	145.3
Non current assets hed for sale	0.0	0.0	0.0
Account trade receivables	416.1	363.9	260.2
Other current assets	23.8	18.6	2.0
Trade and other payables	(273.3)	(294.3)	(214.1)
Advances received	(136.9)	(63.3)	(51.3)
Provisions for other liabilities and other	(1.9)	(2.2)	(2.6)
Working Capital	**217.3**	**155.9**	**139.5**

Source: Company information

Annex 3. Cash flow statement

Cash flow statement (€m)	2022	2021	*% Change*
Net income	1.4	27.5	*(94.8%)*
Corporate income tax	13.5	8.2	*65.8%*
Depreciation & Amortization	17.8	18.6	*(4.6%)*
Financial income/Financial expenses	11.6	8.1	*43.2%*
Other result adjustments	14.1	(5.0)	*n.a.*
Changes in working capital	(70.8)	(13.8)	*411.5%*
Operating cashflows after changes in WC	**(12.3)**	**43.6**	***n.a.***
Net interest expenses	(9.3)	(7.5)	*22.8%*
Provision and pension payments	0.0	0.0	*n.a.*
Income tax paid	(3.7)	(6.4)	*(43.0%)*
Other collection and payments	0.0	0.0	*n.a.*
Net cash flows from operating activities	**(25.2)**	**29.6**	***n.a.***
Capex	**(22.4)**	**(11.2)**	***100.2%***
Changes in financial assets and liablities	42.9	6.3	*577.3%*
Dividends payments	(9.6)	(0.1)	*n.a.*
Net cash flows from financing activities	**33.2**	**6.2**	***435.0%***
FX effect	**0.8**	**-**	
Net variation in cash & cash eq.	**(13.6)**	**24.7**	***n.a.***

Source: Company information

Alternative Performance Measures - definitions

- **Book-to-bill:** Ratio of orders awarded in a period to the sum of revenues for that same period
- **Order intake:** represents the new orders recognized in a certain period. A new order is recognised as an order received only when the contract is awarded and signed between the parties, thus creating legal obligations between both parties. The value of new orders does not consider inflation adjustments included by contract nor any other impact from derivatives. Orders awarded in a currency other than de Euro is recognized at the spot exchange rate in moment of award.
- **EBITDA:** Earnings Before Interest Taxes Amortization and Depreciation ("EBITDA"). It corresponds to Net Operating Income plus amortization and depreciation. This indicator are aligned with market practice.
- **EBIT:** Earning Before Interest and Taxes ("EBIT"). It corresponds to Net Operating Income. This indicator are aligned with market practice.
- **Adjusted EBITDA and EBIT:** Adjusted EBITDA ("aEBITDA") and EBIT ("aEBIT") are Key Performance Indicator to present the level of recurring operational performance. Adjustments to EBITDA include non-recurring costs, primarily guarantees, redundancies and obsolescence. These indicators are aligned with market practice and comparable to direct competitors.
- **Free Cash Flow:** Free Cash Flow ("FCF") represents the cash generated from operating activities and is a Key Performance Indicator to measure the generation of net cash from operations, excluding cash variations from financing activities or related to shareholders. It is defined as:

  FCF = EBITDA – Capex +- Variations in WC +- Taxes paid +- Extraordinary items from operating activities
- **Capex:** Capital Expenditures or investments in fixed assets dedicated for the business operations. Includes capitalised R+D+i costs. Does not include proceeds from disposals of fixed assets.
- **Working Capital:** Working capital ("WC") represents the operations cash balances at certain closing date. It includes current assets and obligations and is defined as:

  WC = Current assets – Current liabilities – Cash & equivalents + Short term financial Debt
- **Net Financial Debt:** The net cash/(debt) is defined as cash and cash equivalents less short and long-term financial liabilities, including financial leasing. Net Financial Debt excludes repayable advances with entities belonging to the Spanish Public Administration relating to R&D, which are not considered financial debt due to their recurrence and zero interest rates.
- **Backlog:** The backlog represents the total amount revenues expected to be accounted in the future business based on already awarded and signed contracts. It is measured based on the value signed by contract in case of manufacturing and overhaul contracts, while maintenance contracts are based on estimates considering time and unit price. It does not consider inflation adjustments.
- **Pipeline:** the Pipeline represent the theoretical value of opportunities in which the company is working on from a commercial perspective. The represented value is an estimate, and it might vary throughout the time. It does not represent any probability nor the exact value or guidance of offers submitted by the company.
- **Last Twelve Months:** Last Twelve Months ("LTM") is a measurement used to calculate certain ratios based on Key Performance Indicators.

Source: Company information

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