Técnicas Reunidas, S.A. and Subsidiaries

Consolidated Financial Statements
for the year ended 31 December 2024 and
Consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the Consolidated Financial Statements

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2024, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

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 Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Recognition of revenue from long-term contracts and of amounts to be billed for work performed

Description

The Group recognises revenue based on the percentage of completion method by reference to the stage of completion in accordance with IFRS 15.

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 2,353 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 Group 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 2.20, 4.5, 11, 22 and 28 to the accompanying consolidated financial statements for 2024. The aforementioned Note 11 also details the evolution of the change orders and claims under negotiation with customers at year-end.

Procedures applied in the audit

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 Group, for which purpose we held meetings with technical personnel of the Group 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 Group 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 Group'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 management of the Parent. • 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 Parent and its legal advisers (Note 28 to the consolidated financial statements for 2024) and, for a selection of such cases, we involved our internal legal experts to evaluate and examine the assumptions and judgements applied by the Group. Lastly, we checked that the disclosures included in Notes 2.20, 4.5, 11, 22 and 28 to the accompanying consolidated 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 Group. 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 consolidated balance sheet as at 31 December 2024 includes EUR 345.5 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 Parent will be able to recover when the companies carrying on these operations are liquidated. The aforementioned amount also includes a balance of EUR 24.8 million relating to tax assets (mainly tax loss carryforwards) that will be recoverable in jurisdictions other than Spain.

At year-end, management of the Parent 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 consolidated 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 26 to the accompanying consolidated 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.

Procedures applied in the audit

We obtained an understanding of and analysed the estimation process conducted by the directors and management of the Parent, 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 management of the Parent 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 Parent in relation to the recovery of the deferred tax assets, as well as the sensitivity analysis conducted by the Group 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**
The information relating to deferred tax assets is disclosed in Note 26 to the accompanying consolidated financial statements for 2024. 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 26 to the accompanying consolidated financial statements for 2024 contained the disclosures required in this connection by the regulatory financial reporting framework applicable to the Group. The result of the procedures performed enabled the audit objectives for which the procedures were designed to be reasonably achieved.

Other Information: Consolidated Directors' Report

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

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

a) Solely checking that the consolidated 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 consolidated directors' report is consistent with the consolidated financial statements, based on the knowledge of the Group obtained in the audit of those consolidated financial statements, as well as evaluating and reporting on whether the content and presentation of this section of the consolidated 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 consolidated directors' report was consistent with that contained in the consolidated financial statements for 2024 and its content and presentation were in conformity with the applicable regulations.

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

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

In preparing the consolidated financial statements, the Parent's directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated 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 files in European Single Electronic Format (ESEF) of Técnicas Reunidas, S.A. and subsidiaries for 2024, which comprise the XHTML file including the consolidated financial statements for 2024 and the XBRL files with the tagging performed by the entity, 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 and markup 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 consolidated directors' report.

Our responsibility is to examine the digital files prepared by the Parent'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 consolidated financial statements included in the aforementioned digital files corresponds in full to that of the consolidated financial statements that we have audited, and whether those consolidated financial statements and the aforementioned files were formatted and marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital files examined correspond in full to the audited consolidated financial statements, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Additional Report to the Parent's Audit Committee

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

Engagement Period

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

Previously, we were designated auditors of the Group 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 consolidated financial statements.

Auditor’s Responsibilities for the Audit of the Consolidated 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 consolidated 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 Group's internal control.

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

- Conclude on the appropriateness of the use by the Parent's 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

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

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent'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 Parent'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 Parent's audit committee, we determine those matters that were of most significance in the audit of the consolidated 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. AND SUBSIDIARIES

Consolidated financial statements at 31 December 2024 and consolidated directors' report for 2024

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CONSOLIDATED FINANCIAL STATEMENTS FOR TÉCNICAS REUNIDAS, S.A. AND SUBSIDIARIES AT 31 DECEMBER 2024

CONSOLIDATED BALANCE SHEET
(Amounts in thousands of Euros)

	Notes	At 31 December 2024	At 31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	**6**	20,411	19,366
Other intangible assets	**7**	44,076	45,312
Rights of use on leased assets	**8**	87,369	44,357
Investments in associates	**9**	980	1,113
Deferred tax assets	**26**	345,530	369,465
Accounts receivable and other financial assets	**10.13**	93,542	92,037
		591,908	**571,650**
Current assets			
Inventories	**12**	6,536	6,536
Trade and other receivables	**10, 11**	2,995,128	2,854,430
Accounts receivable and other assets	**10, 13**	8,565	8,511
Derivative financial instruments	**10**	8,689	26,131
Cash and cash equivalents	**14**	1,018,409	1,033,657
		4,037,327	**3,929,265**
Total assets		**4,629,235**	**4,500,915**

The accompanying Notes 1 to 34 and Appendices I to IV are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS FOR TÉCNICAS REUNIDAS, S.A. AND SUBSIDIARIES AT 31 DECEMBER 2024

CONSOLIDATED BALANCE SHEET
(Amounts in thousands of Euros)

	Notes	At 31 December	
		2024	**2023**
EQUITY			
Share capital and Reserves attributable to the Company's shareholders			
Share capital	**15**	8,030	8,030
Share premium	**15**	156,343	156,343
Treasury shares	**15**	(73,762)	(73,833)
Legal reserve	**16**	1,606	1,137
Hedging reserve	**10**	(17,907)	10,856
Cumulative translation differences	**17**	(48,736)	(62,822)
Retained earnings	**18**	363,553	273,953
Equity attributable to shareholders		**389,127**	**313,664**
Non-controlling interests	**18**	**10,508**	**10,853**
Total equity		**399,635**	**324,517**
LIABILITIES			
Participative loans	**10, 20**	175,000	175,000
Other non-current liabilities			
Borrowings	**10, 20**	340,569	380,758
Borrowings associated with rights of use of leased assets	**8, 10**	66,616	25,746
Derivative financial instruments	**10**	846	-
Deferred tax liabilities	**26**	27,021	66,279
Other liabilities	**10**	272	262
Employee benefit obligations		3,562	3,588
Provisions for contingencies and charges	**21**	82,323	82,054
		696,209	**733,687**
Current liabilities			
Trade payables	**10, 19**	3,143,662	3,076,251
Current tax liabilities	**26**	20,530	17,690
Borrowings	**10, 20**	284,001	305,141
Borrowings associated with rights of use of leased assets	**8, 10**	22,451	19,897
Derivative financial instruments	**10**	42,260	1,058
Other accounts payable	**10, 19**	20,355	22,479
Provisions for contingencies and charges	**21**	132	195
		3,533,391	**3,442,711**
Total liabilities		**4,229,600**	**4,176,398**
Total equity and liabilities		**4,629,235**	**4,500,915**

The accompanying Notes 1 to 34 and Appendices I to IV are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS FOR TÉCNICAS REUNIDAS, S.A. AND SUBSIDIARIES AT 31 DECEMBER 2024

CONSOLIDATED INCOME STATEMENT
(Amounts in thousands of Euros)

	Notes	Year ended 31 December	
		2024	**2023**
Revenue	**22**	4,451,446	4,135,152
Changes in inventories		-	(1,204)
Procurements	**23**	(3,210,196)	(3,027,563)
Employee benefit expenses	**24**	(652,807)	(544,985)
Depreciation, amortisation and impairment losses	**6, 7 and 8**	(32,909)	(25,940)
Lease and royalty expenses		(50,819)	(38,395)
Other operating expenses	**23**	(334,072)	(351,646)
Other operating income	**22**	10,565	11,179
Profit from operations		**181,208**	**156,598**
Finance income	**25**	23,924	25,285
Borrowing costs	**25**	(38,110)	(37,958)
Finance lease expenses	**25**	(1,810)	(1,205)
Net exchange differences	**25**	11,791	(18,727)
Other finance costs	**25**	(17,134)	(12,486)
Profit/(Loss) from exposure to hyperinflation	**25**	(13,781)	(7,759)
Share in profit/(loss) of associates	**9**	(133)	(416)
Profit before tax		**145,955**	**103,332**
Income tax	**26**	(56,535)	(43,602)
Profit for the year		**89,420**	**59,730**
Attributable to:			
Company shareholders		89,942	60,952
Non-controlling interests		(522)	(1,222)
		89,420	**59,730**
(Loss)/Earnings per share for profit attributable to the equity holders of the Company (expressed in Euros per share):			
- Basic and diluted	**27**	1.15	0.88

The accompanying Notes 1 to 34 and Appendices I to IV are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS FOR TÉCNICAS REUNIDAS, S.A. AND SUBSIDIARIES AT 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Amounts in thousands of Euros)

		Year ended 31 December	
	Notes	**2024**	**2023**
Profit for the year		**89,420**	**59,730**
Items that may be reclassified to profit or loss			
Cash flow hedges	**10**	(38,460)	33,294
Tax effect		9,697	(8,252)
Cash flow hedges, net of tax		(28,763)	25,042
Exchange differences on translation of foreign operations	**17**	14,263	8,898
Adjustment from application of IAS 29		(93)	3,555
Total items that may be reclassified to profit or loss		**(14,593)**	**37,495**
Other comprehensive income for the year, net of tax		**(14,593)**	**37,495**
Total comprehensive income for the year		**74,827**	**97,225**
Attributable to:			
Owners of the Parent		75,172	98,612
Non-controlling interests		(345)	(1,387)
Total comprehensive income for the year		**74,827**	**97,225**

The accompanying Notes 1 to 34 and Appendices I to IV are an integral part of these consolidated financial statements

CONSOLIDATED FINANCIAL STATEMENTS FOR TÉCNICAS REUNIDAS, S.A. AND SUBSIDIARIES AT 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Amounts in thousands of Euros)

	Attributable to equity holders of the Company									
	Share capital (Note 15)	Share premium (Note 15)	Treasury shares (Note 15)	Legal reserve (Note 16)	Hedging reserve (Note 10)	Cumulative translation differences (Note 17)	Retained earnings (Note 18)	Equity attributable to shareholders	Non-controlling interests (Note 18)	Total equity
Balance at 01 January 2024	**8,030**	**156,343**	**(73,833)**	**1,137**	**10,856**	**(62,822)**	**273,953**	**313,664**	**10,853**	**324,517**
Comprehensive income										
Profit/(Loss) for 2024	-	-	-	-	-	-	89,942	89,942	(522)	89,420
Other comprehensive income										
Cash flow hedges, net of tax	-	-	-	-	(28,763)	-	-	(28,763)	-	(28,763)
Adjustment from application of IAS 29	-	-	-	-	-	-	(93)	(93)	-	(93)
Exchange differences on translation of foreign operations	-	-	-	-	-	14,086	-	14,086	177	14,263
Total other comprehensive income	-	-	-	-	(28,763)	14,086	(93)	(14,770)	177	(14,593)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(28,763)**	**14,086**	**89,849**	**75,172**	**(345)**	**74,827**
Transactions with owners in their capacity as such:										
Treasury share transactions (net)	-	-	71	-	-	-	220	291	-	291
Other changes	-	-	-	469	-	-	(469)	-	-	-
Total transactions with owners in their capacity as such	**-**	**-**	**71**	**469**	**-**	**-**	**(249)**	**291**	**-**	**291**
Balance at 31 December 2024	**8,030**	**156,343**	**(73,762)**	**1,606**	**(17,907)**	**(48,736)**	**363,553**	**389,127**	**10,508**	**399,635**

The accompanying Notes 1 to 34 and Appendices I to IV are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Amounts in thousands of Euros)

	Attributable to equity holders of the Company									
	Share capital (Note 15)	Share premium (Note 15)	Treasury shares (Note 15)	Legal and capitalisation reserves (Note 16)	Hedging reserve (Note 10)	Cumulative translation differences (Note 17)	Retained earnings (Note 18)	Equity attributable to shareholders	Non-controlling interests (Note 18)	Total equity
Balance at 01 January 2023	**5,590**	**8,691**	**(72,909)**	**4,193**	**(14,186)**	**(71,885)**	**211,280**	**70,774**	**12,240**	**83,014**
Comprehensive income										
Profit/(Loss) for 2023	-	-	-	-	-	-	60,952	60,952	(1,222)	59,730
Other comprehensive income										
Cash flow hedges, net of tax	-	-	-	-	25,042	-	-	25,042	-	25,042
Adjustment from application of IAS 29	-	-	-	-	-	-	3,555	3,555	-	3,555
Exchange differences on translation of foreign operations	-	-	-	-	-	9,063	-	9,063	(165)	8,898
Total other comprehensive income	-	-	-	-	25,042	9,063	3,555	37,660	(165)	37,495
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**25,042**	**9,063**	**64,507**	**98,612**	**(1,387)**	**97,225**
Transactions with owners in their capacity as such:										
Treasury share transactions (net)	-	-	(924)	-	-	-	913	(11)	-	(11)
Capital increase	2,440	147,652	-	-	-	-	(5,803)	144,289	-	144,289
Other changes	-	-	-	(3,056)	-	-	3,056	-	-	-
Total transactions with owners in their capacity as such	**2,440**	**147,652**	**(924)**	**(3,056)**	**-**	**-**	**(1,834)**	**144,278**	**-**	**144,278**
Balance at 31 December 2023	**8,030**	**156,343**	**(73,833)**	**1,137**	**10,856**	**(62,822)**	**273,953**	**313,664**	**10,853**	**324,517**

The accompanying Notes 1 to 34 and Appendices I to IV are an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS
(Amounts in thousands of Euros)

	Notes	Year ended 31 December	
		2024	**2023**
Cash flows from operating activities			
Profit/(Loss) for the year		**89,420**	**59,730**
<u>Adjustments for:</u>			
Taxes	**26**	56,535	43,602
Depreciation and amortisation of property, plant and equipment, intangible assets and rights of use of leased assets	**6, 7 and 8**	32,909	25,940
Net change in provisions	**11 and 21**	(16,475)	(4,271)
Share in profit/(loss) of associates	**9**	133	416
Interest income	**25**	(23,924)	(25,285)
Interest expense	**25**	57,054	51,649
Profit/(Loss) from exposure to hyperinflation (IAS 29)	**25**	13,781	7,759
Change in gains/(losses) on derivatives	**10**	21,927	9,362
Net exchange differences	**25**	(11,791)	18,727
<u>Changes in working capital:</u>			
Inventories		-	1,204
Trade and other receivables		(84,588)	360,119
Trade payables		73,488	(420,270)
Other accounts payable		(2,299)	4,501
Settlements of hedging derivatives and other changes		(671)	15,232
<u>Other cash flows from operating activities:</u>			
Interest paid		(53,193)	(43,188)
Interest received		23,924	25,285
Taxes paid		(93,163)	(47,329)
Net cash flows from operating activities		**83,067**	**83,183**
Cash flows from investing activities			
Acquisition of property, plant and equipment	**6**	(6,782)	(13,970)
Acquisition of intangible assets	**7**	(474)	(38)
Disposal of non-current assets		242	268
Net cash flows used in investing activities		**(7,014)**	**(13,740)**
Cash flows from financing activities			
Borrowings obtained in the year		420,222	277,175
Repayment of borrowings		(485,415)	(401,867)
Lease payments	**8**	(26,400)	(20,855)
Acquisition/disposal of treasury shares (net)	**15**	292	(11)
Capital increase	**15**	-	150,092
Net cash flows generated from financing activities		**(91,301)**	**4,534**
Net change in cash and cash equivalents		**(15,248)**	**73,977**
Cash and cash equivalents at beginning of year		**1,033,657**	**959,680**
Cash and cash equivalents at end of year		**1,018,409**	**1,033,657**

The accompanying Notes 1 to 34 and Appendices I to IV are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS FOR TÉCNICAS REUNIDAS, S.A. AND SUBSIDIARIES AT 31 DECEMBER 2024

Notes to the Consolidated Financial Statements
(Amounts in thousands of Euros)

1. General information

Técnicas Reunidas, S.A. (the 'Company' or the 'Parent') and its subsidiaries (together, the 'Group') 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 Group mainly operates in the following lines of business (Note 5):

- 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).

The Group's consolidated financial statements for 2023 were approved without modifications by the shareholders at the Annual General Meeting on 26 June 2024.

These consolidated financial statements were authorised for issue by the Parent's Board of Directors on 27 February 2025. The Parent's directors will submit these consolidated financial statements at the Annual General Meeting, and it is expected that they will be approved without any changes.

2. Summary of the main accounting policies

The main accounting policies applied in the preparation of these consolidated financial statements are set out below.

2.1. Basis of presentation

The Parent's directors prepared the Group's consolidated financial statements as at 31 December 2024 in accordance with the International Financial Reporting Standards adopted for use in the European Union (the 'EU-IFRS') and approved by the European Commission Regulations and in force at 31 December 2024, with IFRIC interpretations and with the commercial law applicable in Spain to institutions preparing information in accordance with EU-IFRSs. The consolidated financial statements were prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative financial instruments), measured at fair value.

Unless indicated otherwise, the policies explained below were applied consistently to all years in which these consolidated financial statements are presented.

These consolidated financial statements, which were prepared from the accounting records of Técnicas Reunidas, S.A. and its subsidiaries, present fairly the Group's consolidated equity and its financial position at 31 December 2024, as well as its consolidated results, changes in consolidated equity and consolidated cash flows for the year ended on that date.

The preparation of these consolidated financial statements in accordance with EU-IFRSs requires the use of certain critical accounting estimates. It also requires Management to make judgements in the application of the Group's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

For information comparison purposes, the Group presents, together with the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the years ended 31 December 2024 and 2023.

The Group presents comparative information in the explanatory notes to the consolidated financial statements when is relevant to an understanding of the current year's consolidated financial statements.

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

2.1.1. Changes in accounting policies and breakdowns

a) Mandatory standards, amendments and interpretations for all annual periods beginning on or after 1 January 2024:

As a result of their approval, publication and entry into force on 1 January 2024, the following standards have been applied:

- IFRS 16 (Amendment): "Lease liability in a sale and leaseback transaction".
- IAS 1 (Amendment) "Classification of liabilities as current or non-current, and those subject to covenants".
- IAS 7 and IFRS 7 (Amendments): "Supplier finance arrangement".

The application of these amendments and interpretations did not have a significant effect on these consolidated financial statements.

b) Mandatory standards, amendments and interpretations for all annual periods beginning on or after 1 January 2025:

- IAS 21 (Amendment) - "Lack of Exchangeability".

c) Standards, amendments and interpretations that have not yet entered into force but that may be adopted early.

- IFRS 18 - "Presentation and disclosure in financial statements".
- IFRS 19 - "Subsidiaries without public accountability: Disclosures".
- IFRS 7 and IFRS 9 (Amendments) - "Classification and measurement of financial instruments".

The Group is in the process of analysing the impacts that the new regulations may have on the consolidated financial statements, although they are not expected to be material.

2.2. Significant events

2.2.1 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.

2.2.2. 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.

2.2.3. 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.

2.3. Basis of consolidation

2.3.1. Scope of consolidation

The scope of consolidation of Técnicas Reunidas consists of: Técnicas Reunidas, S.A., the Parent, its subsidiaries and associates. The Group also has joined interests with other entities for investees in jointly controlled entities and unincorporated temporary joint ventures ('UTEs'). Appendices I, II, III and IV to these notes to the financial statements include additional information with regard to the entities included in the scope of consolidation.

For the purpose of preparing these consolidated financial statements, a group is considered to exist when the Parent has one or more subsidiaries over which this Parent has direct or indirect control.

The Parent and certain subsidiaries also have interests in UTEs and consortiums, and the figures for the relevant assets, liabilities, income and expenses corresponding to the UTEs and consortiums are included on a proportionate basis. Appendix IV includes a detail of the joint ventures and consortiums in which Group companies have a stake, as well as joint ventures wholly owned by two Group companies.

The changes in the scope of consolidation in 2024 consisted of the exclusion from the scope of Técnicas Reunidas TEC, Técnicas Reunidas de Construcao Unip. LDA and the TR France and TR Australia branches due to liquidation. These changes had no effect on the Group’s equity.

The changes in the scope of consolidation in 2023 consisted of the exclusion from the scope of TR Canada Inc., Técnicas Reunidas Dufi CCGT Kft and TR Panama due to liquidation. These changes had no effect on the Group’s equity.

There were no business combinations in 2024 or 2023.

a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed or has the right to obtain variable returns from its involvement in the investee and has the ability to use its power over this entity to influence these returns. Subsidiaries are consolidated from the date on which control passes to the Group, and are excluded from consolidation on the date on which control ceases to exist.

The subsidiaries are fully consolidated and all their assets, liabilities, income, expenses and cash flows are included in the consolidated financial statements after transactions and balances between Group companies are eliminated. The accounting policies of the subsidiaries have been modified when necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in profit or loss and equity of the subsidiaries is shown separately in the consolidated income statement, the consolidated balance sheet, the consolidated statement of changes in equity and the consolidated statement of comprehensive income.

Appendix I to these notes provides a breakdown of the details on the subsidiaries included in the scope of consolidation through full consolidation.

- **Changes in the ownership interests in subsidiaries without change of control**

Transactions with non-controlling interests resulting in a loss of control are recognised as equity transactions, i.e., as transactions with owners in their capacity as such. The difference between the fair value of the consideration paid and the relevant portion acquired of the carrying amount of the subsidiary's net assets is recognised under equity. Gains or losses on the disposal of non-controlling interests are recognised under equity.

- **Disposals and liquidations of subsidiaries**

In 2024 Técnicas Reunidas TEC, Técnicas Reunidas de Construcao Unip. LDA and the TR France and TR Australia branches were liquidated.

In 2023, TR Canada Inc., Técnicas Reunidas Dufi CCGT Kft and TR Panama were liquidated.

b) Associates

Associates are all entities over which the Group exercises significant influence but not control, which is generally accompanied by an ownership interest of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or reduced to recognise the investor's interest in the results of the investee following the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.

If its ownership interest in an associate is reduced but significant influence is maintained, only the proportionate interest of the amounts previously recognised in other consolidated comprehensive gains or losses is reclassified, where appropriate, to the consolidated income statement.

The Group's share of its associates' post-acquisition gains or losses is recognised in the income statement and its share of post-acquisition changes in other consolidated comprehensive income is recognised in other consolidated comprehensive gains or losses with the relevant adjustment to the carrying amount of the investment. When the Group's share in the losses of an associate is equal to or exceeds its interest in the associate, including any other non-current unsecured receivables, it does not recognise further losses, unless it has assumed legal or implicit commitments or made payments on behalf of the associate.

At each financial reporting date, the Group determines whether there is any objective evidence that the investment in the associate has become impaired. If this is the case, the Group calculates the amount of the impairment loss as the difference between the recoverable amount of the associate and its carrying amount and recognises that amount under 'Share of profit/(loss) of associates' in the consolidated income statement.

Profit and loss resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's consolidated financial statements only if they correspond to unrelated investors' interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment loss on the asset transferred. The accounting policies of the associates have been modified when necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising on investments in associates are recognised in the consolidated income statement.

No investments in associates were sold in 2024 or 2023. Appendix II to these notes to the consolidated financial statements provides a breakdown of the details on the associates accounted for using the equity method.

c) Joint arrangements

The Group applies IFRS 11 to all joint arrangements. Investments in joint arrangements under IFRS 11 are classified as joint operations or joint ventures, depending on the contractual rights and obligations of each investor. The Técnicas Reunidas Group has assessed the nature of its joint arrangements and determined that they should be classified as joint operations.

Joint operations mean that a venturer has direct rights over the assets, liabilities, income and expenses of the entity in which it has an interest. Accordingly, joint ventures arise when a venturer has the right to the profit or loss or to the net assets of the entity in which it has an interest and, therefore, its interest in the entity is recognised using the equity method.

The proportional amount of the line items of the joint arrangement's balance sheet and income statement are included in the balance sheet and income statement of the venturer depending on its percentage of ownership interest and the cash flows in the Consolidated Statements of Cash Flows

Appendix III to these notes provides a breakdown of the details on the joint arrangements included in the scope of consolidation.

d) Unincorporated temporary joint ventures (UTEs)

An unincorporated temporary joint venture (UTE) is an arrangement between companies, for a specified or unspecified period of time, to carry out or execute works, services or supplies.

The proportional amount of the line items of the UTE's balance sheet and income statement are included in the balance sheet and income statement of the venturer depending on its percentage of ownership interest and the cash flows in the statement of cash flows.

Appendix IV to these notes provides a breakdown of the details on the UTEs whose financial information is recognised by the companies included in the scope of consolidation.

2.4. Segment information

The information on segments is presented in accordance with the internal information provided to the chief operating decision maker (see Note 5).

The accounting policies applied to prepare the segment information are the same as those described in these consolidated financial statements. The chief operating decision maker is the Parent's Board of Directors.

2.5. Foreign currency transactions

a) Functional and presentation currency

The items for each Group company included in these consolidated financial statements are measured using the currency of the main economic environment in which the company operates, i.e., the currency that mainly affects income and expenses ('functional currency'). The consolidated financial statements are presented in Euros.

b) Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, unless they are deferred to other consolidated comprehensive income, as in the case of qualifying cash flow hedges.

Foreign exchange gains and losses are recognised under 'Gains or losses on foreign currency transactions' included under 'Financial profit/(loss)' in the consolidated income statement (see Note 25).

c) Group companies

The profit or loss and balance sheet of all Group companies whose functional currency is different from the presentation currency are translated to the presentation currency as follows:

- Assets and liabilities on each balance sheet presented are translated at the exchange rate prevailing at each balance sheet date;
- Income and expenses in the income statement and statement of comprehensive income are translated at the average exchange rate, except for companies in Turkey and Argentina, where both countries have hyperinflationary economies and where, in accordance with IAS 29, the closing exchange rate for 2024 has been applied (see Note 2.28).
- Equity items (except for income statement headings) are translated at the historical exchange rate.

All resulting translation differences are recognised as a separate component of other consolidated comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate. Exchange differences that arise are recognised under 'Exchange differences on translation of foreign operations' in the Consolidated Statement of Comprehensive Income.

2.6. Property, plant and equipment

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

The initial historical cost includes the expenses directly attributable to the acquisition of the items of property, plant and equipment.

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

The depreciation of the assets is calculated using the straight-line method based on their estimated useful lives and the residual value of the assets. The estimated useful lives of the various asset categories are the following:

Classification/Items	Useful life			
Industrial structures and 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
Vehicles			7	Years
Other items of property, plant and equipment	7	-	10	Years

The residual values and useful lives of the assets are reviewed, and adjusted if necessary, at the end of each reporting period.

If an asset's carrying amount is greater than its estimated recoverable amount, its value is immediately reduced to its recoverable amount.

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

2.7. Intangible assets

a) Computer software

Licences for computer software acquired are capitalised based on the costs incurred to acquire them and bring the specific software to use. These costs are amortised over their estimated useful lives (4 years).

The expenses related to software development or maintenance are recognised when they are incurred. The costs directly related to producing unique and identifiable computer software controlled by the Group that is likely to generate economic benefits exceeding the costs for more than one year, are recognised as intangible assets.

These direct costs include the staff costs for the computer program developers and a suitable portion of general overheads. Software development costs recognised as assets are amortised over the software's estimated useful life (4 years).

b) Concessions

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, which is established as the cost value). 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.

c) Research and development expenditure

Research expenditure is recognised as an expense when incurred. The costs incurred in development projects are recognised as intangible assets when the following requirements are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- Management's intent is to complete the intangible asset and use or sell it;
- The intangible asset may be used or sold;
- The manner in which the intangible asset will generate probable future economic benefits can be demonstrated;
- Adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Other development costs are recognised as an expense when incurred. Development costs previously recognised as an expense are not capitalised in subsequent years.

Grants received for research and development projects are transferred to income in accordance with the criteria for recognising research and development expenditure in the income statement.

2.8. Rights of use on leased assets and associated borrowings

The rights of use on leased assets and the borrowings associated with them represent the right to use the asset in question and the obligation to make payments under the lease, respectively.

Right-of-use assets on leased assets are measured at cost, which includes the following:

- The amount of the initial measurement of the lease liability;
- any lease payments made on or before the commencement date, less any lease incentives received.
- any initial direct costs; and
- restoration costs.

Right of use assets are amortised on a straight-line basis over the useful life of the asset or the lease term, whichever is shorter.

The borrowings associated with the right to use of the leased assets includes the net present value of the lease payments.

Lease payments are discounted using the tenant's incremental borrowing rate, which is the rate that the individual tenant would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, guarantees and conditions.

The Group is exposed to potential future increases in lease payments based on an index or benchmark, which are not included in the lease liability until they take effect. At that time, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is expensed over the lease term so as to produce a constant periodic interest rate on the remaining balance of the liability for each period.

The term of the lease is considered to be the non-cancellable period. If the Group has a unilateral option to extend or terminate the lease and there is reasonable certainty that this option will be exercised, the corresponding extension or early termination period will also be considered. The maximum period estimated for the renewal of a contract is 3 years, provided no other period is specified in the contract, since there is no reasonable certainty that it will be extended beyond that period, which is in line with the average time for executing the projects on site. In the case of office rentals in companies whose duration is linked to the duration of the project they are performing, the maximum renewal period will be 3 years as long as it does not exceed the remaining duration of the ongoing project.

The lease term is reassessed if an option is actually exercised (or is not exercised) or the Group is obliged to exercise it (or not exercise it). The assessment of reasonable certainty is reviewed only if a significant event or change in circumstances occurs that affects this assessment and is within the control of the tenant, with force majeure events being considered as likely to occur.

2.9. Borrowing costs

The borrowing costs incurred in the construction of any qualifying asset are capitalised during the period of time necessary to prepare the asset for its intended use. Other borrowing costs are recognised in the income statement in the year in which they are incurred.

2.10. Impairment losses on non-financial assets

Assets with an indefinite useful life are not subject to depreciation or amortisation but rather are tested annually for impairment. At each year-end, the Group 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 when the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. Impairment losses on goodwill may not be reversed. For the purpose of assessing impairment, assets are grouped together at the lowest levels for which there are separately identifiable cash flows, i.e., in CGUs. Impairment losses are recognised in the income statement.

Previous impairment losses on non-financial assets, other than goodwill, are reviewed for possible reversal at each reporting date.

2.11. Financial assets

a) Classification

Financial assets are classified depending on the measurement category that is determined on the basis of the business model and the contractual cash flow characteristics, and the Group only reclassifies investments in debt instruments when, and only when, there is a change in its business model for managing these assets.

The Group classifies its financial assets into the following categories, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and financial assets at amortised cost.

b) Measurement

Acquisitions or disposals of investments are recognised on the trade date, i.e., the date on which the Group undertakes to acquire or sell the asset. Investments are recognised initially at fair value plus the transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognised at fair value and transaction costs are taken to the income statement. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all the risks and rewards arising from the related ownership.

Interest income on financial assets at fair value through profit or loss is recognised as other income in the income statement when the Group’s right to receive payment is established.

In the event of disbursements arising from the enforcement of guarantees on first demand, these are recorded as financial assets at fair value, to the extent that it is considered probable that a future profit 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.

The gains and losses on assets measured at fair value are recognised in profit or loss or in other comprehensive income. With regard to investments in equity instruments that are not held for trading, the Group has made an irrevocable election at initial recognition to recognise all equity investments at fair value through other comprehensive income.

c) Financial assets at amortised cost

Investments in debt instruments that are held for the collection of contractual cash flows, when those cash flows represent only payments of principal and interest, are measured at amortised cost. They are included in current assets, except for maturities exceeding 12 months from the balance sheet date when they are classified as non-current assets, unless they are within the Group's normal operating cycle.

In addition, deposits and guarantees provided to third parties are included in this category. Those assets are subsequently recognised at their amortised cost in accordance with the effective interest rate method. Accounts receivable that do not explicitly accrue interest are measured at their nominal value when the effect of not discounting the cash flows is not significant. They are still subsequently measured, where applicable, at their nominal value.

d) Financial assets at fair value through other comprehensive income

The assets held for the collection of contractual cash flows and for the sale of financial assets, in which the cash flows of the assets represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Changes in the carrying amount are recognised through other comprehensive income, except for the recognition of impairment losses or gains, interest income, and exchange gains or losses that are recognised in profit or loss. Unrealised gains and losses that arise from changes in fair value are recognised in other comprehensive income. When these financial assets are derecognised, the cumulative adjustments in fair value recognised in equity are included in the consolidated income statement as gains or losses.

The fair value of listed investments is based on the current purchase price. If the market for a financial asset is in active (and for unlisted securities), the Group establishes its fair value using valuation techniques that include the use of recent arm's length market transactions between willing and duly informed parties, references to other instruments that are substantially the same and the discounted cash flows analysis. If none of the techniques mentioned can be used to estimate fair value, the investments are recognised at acquisition cost less any impairment losses.

In the case of equity instruments included in this category, Group management has elected to present the gains and losses in the fair value of equity instruments in other comprehensive income.

Gains and losses in fair value are not subsequently reclassified to profit or loss after the disposal of the investment. Impairment losses (and reversals of impairment losses) on equity instruments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

The dividends from these investments continue to be recognised in profit or loss when the Group has the right to receive payment.

e) Financial assets at fair value through profit or loss

Those assets that do not meet the requirements to be recognised at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. Realised and unrealised gains and losses arising from changes in fair value of financial assets at fair value through profit or loss are included in the income statement in the year in which they arise.

f) Impairment

The impairment model requires provisions for impairment to be recognised based on the expected loss model rather than only the incurred credit losses.

With regard to its client accounts, accounts receivable and other assets, which relate mainly to clients of recognised solvency with which it has extensive experience, the Group applies the simplified approach, recognising the expected credit losses for the entire life of the assets.

With regard to trade receivables and contract assets, provided there is no significant financial component, the Group applies the simplified approach, which requires the allocation of a loss based on the expected loss model throughout the entire life of the asset at each reporting date. The Group's model considers internal information, such as client balances, external factors such as credit assessments of clients and ratings from risk agencies, as well as the specific circumstances of clients, taking into consideration the information available on past events, current conditions and forward-looking elements.

g) Offsetting of financial instruments

Financial assets and liabilities are offset and presented as net in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent upon future events and must be enforceable in the normal course of business and in the event of the breach, insolvency or bankruptcy of the company or the counterparty.

2.12. Inventories

'Inventories' includes the cost of parking spaces held for sale.

The parking spaces available for sale are initially measured at acquisition cost and subsequently at the lower of cost and net realisable value.

2.13. Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits in banks and other short-term highly liquid investments originally maturing within three months or less.

The following terms are used in the consolidated statement of cash flows, which was prepared using the indirect method:

- Cash flows: inflows and outflows of cash and cash equivalents (Note 14).

- Operating activities: payments and collections from the Group's ordinary activities and other activities that are not investing or financing activities.

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

- Financing activities: activities that result in changes in the size and composition of equity and borrowings of the Group that are not operating activities.

2.14. Share capital

The share capital is represented in full by ordinary shares classified as equity.

The incremental costs directly attributable to the issue of new shares are recognised in equity as a deduction, net of the corresponding tax effect, from the income obtained.

When any Group company acquires shares of the Parent (treasury shares), the consideration paid, including any directly attributable incremental cost (net of income tax), is deducted from the equity attributable to the shareholders of the Parent 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 transaction and the corresponding income tax effects, are included in the equity attributable to the shareholders of the Parent.

2.15. Grants

Grants from Public Administrations are recognised at fair value when there is reasonable assurance that the grant will be received and the Group will comply with all conditions established.

Government grants related to costs are deferred and are recognised in the income statement over the period required to match them with the costs that they are intended to cover.

Government grants related to the acquisition of property, plant and equipment 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.

The grants received for research and development projects are transferred to the income statement in accordance with the criteria for recognising research and development expenditure in the income statement.

2.16. Financial liabilities

a) Financial liabilities at amortised cost (Borrowings)

Borrowings are initially recognised at fair value, net of any transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the term of the borrowings using the effective interest method. The fees paid on the arrangement of loans are recognised as transaction costs for the loan to the extent that it is probable that a portion or all of the loan will be used. In these cases, the fees are deferred until the credit facility is used. If there is no evidence that all or a portion of the credit facility will likely be used, the fee is capitalised as an advance payment for liquidity services and is amortised over the period during which the credit facility is available.

Borrowings are removed from the consolidated balance sheet when the obligations specified in the contract are discharged or cancelled or expire. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss for the year as other finance income or costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

b) Financial liabilities at fair value through profit or loss

These are liabilities acquired for the purpose of being sold in the near term. Derivatives are classified in this category unless they are designated as hedging instruments (see Note 2.22). These financial liabilities are recognised, both initially and subsequently, at their fair value, and the changes that arise therein are recognised in the consolidated income statement for the year.

2.17. Current and deferred taxes

The income tax expense for the year comprises current and deferred taxes. Taxes are recognised in the income statement, unless the tax relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

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 in the consolidated financial statements. However, deferred taxes are not recognised if they arise from the initial recognition of a liability or asset 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 taxes are determined by using the tax rates that have been enacted or substantially enacted by the balance sheet date and that are expected to be applied when the related deferred tax asset is realised or the deferred tax liability is settled.

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.

Deferred tax liabilities are recognised based on temporary differences that arise in investments in subsidiaries, associates and joint ventures, except for those cases in which the Group is able to control the date on which the temporary differences are reversed and it is probable that they will not be reversed in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and deferred taxes liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities that intend to settle the future tax assets and tax liabilities on a net basis.

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.

Note 26 provides the disclosures required by IAS 12 on the Group's expected exposure arising from this new regulation once it comes into force.

2.18. Employee benefits

a) Termination benefits

Termination benefits are paid to employees as a result of the Group's decision to terminate their employment contract before the normal retirement date or when the employee agrees to accept voluntary redundancy in exchange for those benefits. The Group 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 (see Note 24).

b) Bonus plans

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

c) 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 (Note 24).

2.19. Provisions

The Group recognises provisions when it has a present obligation (legal or constructive) as a result of past events, where an outlay of resources will likely be needed to settle the obligation and when the amount can be reliably estimated. No provisions are recognised for future operating losses, although provisions are recognised for engineering contracts expected to generate losses (see Note 2.20).

Provisions are recognised at the best estimate of the liability to be settled by the Group, taking into account the direct and indirect costs of each project and the effects of exchange rate fluctuations, for those amounts denominated in foreign currency, the present value of the disbursements, if the effect is significant, that are expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessment of the time of value of money and the specific risks of the obligation.

2.20. 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 Group's business activities. Revenue is presented net of value added tax, and after having excluded sales within the Group. The Group recognises revenue when the amount thereof can be reliably measured, when it is highly likely that the future economic benefits will flow to the Group and when the specific criteria for each of the activities are met, as detailed below. 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 Group bases its estimates on past results, taking into account the type of client, type of transaction and specific terms of each agreement.

In relation to inventories (parking spaces), the Group recognises sales and profit or loss when ownership is transferred to the buyer.

a) 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.

b) Turnkey engineering contracts

When the residual 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 Group 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 calculation of the progress of the project is made by taking into account all costs incurred in accordance with the above criterion out of the total project costs and the revenue associated with the progress is recognised. 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 Group's history.

The Group recognises an account receivable for the gross amount owed by clients 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 Group recognises a liability for the gross amount owed to clients for work performed under all contracts in progress for which the progress billings exceed the costs incurred plus the recognised profits (less recognised losses).

In turnkey projects awarded by the Group, there is normally a high degree of interaction and correlation between the various phases of engineering, procurement and construction, which tend to overlap, so that, regardless of the contractual form, which can sometimes be executed through several contracts in relation to the tasks performed in different countries, there is a single performance obligation. That is, regardless of whether there are many tasks to be performed, they are considered jointly as a single obligation, since they are considered in the context of the contract.

As a residual effect, a single contract may have clearly differentiated parts with different budgets signed with the same client. In these types of agreements, the client benefits from each part of the contract, while the Group 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 the client approves the change in scope and the resulting price increase. If the scope of the work has been approved but has yet to be measured, the revenue to be recognised will be estimated, provided the revenue is highly likely not to undergo a significant reversal in the future.

Likewise, claims may arise in the performance of the contracts that the Group seeks to collect from the client or another party as reimbursement for costs not included in the contract price. The grounds for such claims are related to and supported by the clauses of the contract or situations of force majeure. Claims are recognised as a variable consideration. They are included as revenue using either the expected value method or the most likely amount method (in each case, using whichever method is better at predicting the amount that the entity expects to be entitled to receive) and provided that it is highly probable that there will not be a significant future reversal of the amount of revenue recognised when the uncertainties associated with those claims are subsequently resolved. 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 throughout the entire life of the project.

In implementing its projects, the Group signs sub-contracts with companies that carry out the physical construction of the plants. The value of the sub-contracts is adjusted based on the scope established contractually. Where the reduction in scope results in inadequate execution and entails additional costs for the Group, the Group passes this excess cost on to the subcontractors based on its contractual rights.

c) Concession arrangements

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

d) Dividend income

Dividend income is recognised when the right to receive payment is established.

e) Interest income

Interest income is recognised using the effective interest method.

2.21. Recognition of the stage of completion of liabilities

The Group 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 Group's history.

2.22. Derivative financial instruments and hedging transactions

The Group uses the general hedging model of IFRS 9. This requires the Group to ensure that the hedge accounting relationships are in line with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assess the effectiveness of the hedge.

The Group's risk management strategies and documentation of hedges are in line with the requirements of IFRS 9 and these relationships are treated as continuous hedges.

Derivative financial instruments are initially recognised at fair value on the date on which the contract is signed and are subsequently adjusted to their fair value at each balance sheet date. The recognition of the gain or loss resulting from the changes in fair value in each period depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

The effective portion of changes in the fair value of the derivatives designated and qualifying as cash flow hedges is recognised under other comprehensive income. The gain or loss corresponding to the ineffective portion is recognised immediately in financial profit or loss in the income statement.

The cumulative balance under 'Other consolidated comprehensive income' is transferred to the consolidated income statement in the year in which the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedging transaction no longer meets the requirements to qualify for hedge accounting, any cumulative gains or losses recognised under equity until then will remain in equity and are recognised in the income statement when the expected transaction final takes place. However, if it is no longer probable that this transaction will take place, any cumulative gains or losses recognised under 'Other consolidated comprehensive income' are immediately transferred to the consolidated income statement.

The Group designates certain derivatives as hedges of a specific risk associated with a recognised asset or liability or a highly probable forecast transaction that may affect profit/loss for the year (cash flow hedge).

a) Derivatives that do not qualify for hedge accounting

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 consolidated income statement. Financial assets and liabilities at fair value through profit or loss are considered to be included in this category.

2.23. Leases

Leases of property, plant and equipment with a term of more than one year and a significant value are recognised as rights of use on leased assets and the corresponding liability is recognised on the date on which the leased asset is available for use by the Group (see Note 2.8).

2.24. Distribution of dividends

Dividend pay-outs to shareholders of the Parent are recognised as a liability in the Group's consolidated financial statements in the year in which the dividends are approved by the Company's shareholders.

2.25. Environmental disclosures

An environmental activity is considered to be any activity whose main purpose is to prevent, reduce or repair environmental damage.

Expenses incurred in protecting and improving the environment are charged to profit or loss in the year in which they are incurred, regardless of when the resulting monetary or financial flow arises.

Provisions for probable or certain third-party liability, litigation in process and outstanding environmental indemnity payments or obligations of undetermined amount not covered by the insurance policies taken out are recorded when the liability or obligation giving rise to the indemnity or payment arises.

In view of the business activities carried on by the Group companies, the Group does not have any environmental assets, provisions or contingencies that might be material with respect to its equity, financial position or results.

2.26. Earnings per share

a) Basic earnings per share

Basic earnings per share are calculated by dividing:

- The profit attributable to the Company's owners, excluding any cost of equity services other than ordinary shares.

- By the weighted average number of ordinary shares outstanding during the year, adjusted for any incentives in ordinary shares issued during the year and excluding treasury shares.

b) Diluted earnings per share

For diluted earnings per share, the figures used to determine basic earnings per share are adjusted to take into account:

- The effect after income tax of interest and other finance costs associated with the dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.27. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination, with limited exceptions, are initially measured at their fair values at their acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition basis at fair value or for the proportional stake of the non-controlling interest of the net identifiable assets of the acquired entity.

The costs related to the acquisition are recognised as expenses when they are incurred.

The excess of:

- the consideration paid;
- the amount of any non-controlling interest in the acquired entity, and
- the fair value at the date of acquisition of any prior ownership interest in the acquired entity,

out of the fair value of the net identifiable assets acquired is recognised as goodwill. If these amounts are lower than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly under profit or losses as a purchase under highly advantageous terms.

2.28. Treatment of companies in hyperinflationary economies

The Group applies IAS 29 to the financial statements of the Turkish and Argentinean companies. The application of this standard entails the following exceptions to the other measurement bases set out above:

- Restatement of non-monetary assets and liabilities net of deferred taxes, as appropriate, from the date of acquisition. The balancing entry for this restatement is reserves or the result from exposure to changes in the purchasing power of the currency of the year depending on the period of application.

- The equity has been restated, as have all other non-monetary items.

- The restatement of the monthly result in accordance with the cumulative inflation for the year since its generation must be adjusted against the consolidated comprehensive income arising from exposure to changes in the purchasing power of the currency.

- Application of the closing exchange rate, rather than the average exchange rate for the year, to income and expenses. For this purpose, all amounts need to be restated by using the change in the general price index from the date on which the income and expenses were recognised in the income statement.

- The Group has adjusted the income statement for 2024 to reflect the financial profit or loss corresponding to the impact of inflation on net monetary assets.

- The various items in the income statement and statement of cash flows for 2024 have been adjusted for inflation since they were generated, with a balancing entry in financial profit or loss and exchange differences, respectively.

The average coefficients considered for this calculation in 2024 were 1.6396 in Turkey and 1.4764 in Argentina. These coefficients are taken from the information published by the Turkish Statistical Institute and the Argentine National Institute of Statistics of Censuses (INDEC), through the publication of the Consumer Price Index, which measures the changes in the prices of goods and services representative of household consumption expenditure, respectively.

The profit or loss from the restatement recognised in the financial statements of the companies with the Turkish lira and the Argentine peso as their functional currency are included in the consolidated income statement under

'Profit/(Loss) from exposure to hyperinflation'. The effect on profit or loss of the restatement for 2024 amounts to a loss of EUR 13,781 thousand (2023: EUR 7,759 thousand).

3. Financial and environmental risk management

3.1. Financial risk factors

The Group's activities are exposed to a variety of financial risks: market risk (including price risk, foreign currency risk and risk from cash flows due to interest rates), credit risk and liquidity risk. The Group's global risk management programme focuses on the uncertainty of the financial markets and aims to minimise the potential adverse effects on the Group's financial returns. The Group uses derivative financial instruments to hedge certain risk exposure.

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

3.1.1. Market risk

a) Foreign currency risk

The Group 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 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 Group companies use forward contracts, negotiated by the Group's Corporate Treasury Department, to hedge the foreign currency risk arising from future commercial transactions and recognised assets and liabilities. Foreign currency risk arises when the future commercial transactions and recognised assets and liabilities are denominated in a currency other than the Group's presentation currency. The Group'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 Group tries to hedge foreign currency risk via 'multicurrency' contracts with its clients, segregating the sale price in the various currencies from the foreseen expenses and preserving the projected margins in Euros.

The Group's risk management policy is based on hedging the most highly probable forecast transactions in each of the main currencies during the months the project is scheduled to be completed. 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 Group's business operations means that it is very common to contract transactions with clients in US Dollars, while the corresponding costs are usually denominated in multiple currencies, albeit mainly USD and EUR. If at 31 December 2024 the Euro had depreciated / appreciated against the US Dollar by a hypothetical 10%, leaving all other variables constant, consolidated profit before tax for the year would have been EUR 29,719 thousand higher / lower (2023: EUR 21,243 thousand), mainly due to the gains / losses generated on the appreciation / depreciation of positions in US Dollars.

Meanwhile, if the Euro had depreciated / appreciated against the US Dollar by a hypothetical 10%, equity would have been EUR 86,926 thousand higher / lower in the year ended 31 December 2024 (2023: EUR 73,130 thousand); 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 hedging reserve in equity (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 contracted.

Accordingly, the Group has various investments in foreign operations, the net assets of which are exposed to foreign currency risk. In general, the Group'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

b) Price risk

The Group is 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, and only from when the contract was awarded to when the orders were placed with the subcontractors. As a general rule, all peer contractors operating in the sector effectively pass on these impacts in sales prices. The Group reduces and mitigates price risk with established policies instructed by management, basically by accelerating or slowing down the pace of orders and selecting the currencies and countries of origin, as well as by contracting commodity hedging derivatives during the above period. An additional mechanism used by the Group 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.

c) Interest rate risk in cash flows

The Group endeavours to self-finance its projects, establishing invoicing and collection milestones with clients that cover the payment deadlines undertaken with suppliers. However, the Group has debt instruments to cover its operating needs, with a combination of fixed and variable 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 each balance sheet date is the following:

	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	246,466	771,943	1,018,409	217,027	816,630	1,033,657
	(137,949)	**771,943**	**633,994**	**(215,577)**	**816,630**	**601,053**

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 interest-earning cash and cash equivalents, the impact on consolidated profit or loss of a 25 basic point fluctuation up or down in the interest rate would imply an increase / decrease of EUR 1,944 thousand at 31 December 2024 (2023: EUR 2,042 thousand).

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

In short, the Group 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 the Group's prudent cash management.

3.1.2. Credit risk

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

- Assets arising from derivative financial instruments (see Note 10) and sundry balances, including cash and cash equivalents (see Note 14).

- Balances related to trade and other receivables (see Note 11).

Derivative financial instruments and transactions with financial institutions included as cash and cash equivalents are arranged or carried out 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 Group's most significant projects. These counterparties are generally integrated, state-owned or top multinational oil and gas companies. At 31 December 2024, 70 % of the total 'Trade receivables' account (included in trade and other receivables) was concentrated in 10 clients (2023: 64%), and they relate to transactions with the type of entities mentioned above, with which the Group considers that the credit risk is very limited.

The variables and assumptions and estimation techniques used to measure expected credit losses include the risk or probability of a credit loss occurring based on the likelihood of the credit loss occurring and the likelihood of it not occurring, even if the likelihood is very low. The expected loss (EL) is the weighted average credit loss with the respective risks of a default occurring.

The maximum period considered to assess expected credit losses is the maximum contractual period (including extension options) during which there is exposure to credit risk.

The Group adopts a credit risk impairment model based on the expected loss over the life of the asset under the simplified approach as it has trade receivables without a significant financing component, most of which correspond to clients of recognised solvency with whom it has extensive experience, for whom 99% of the Group's activity is carried out and with whom any problems that might arise would be exceptional.

The Group assesses whether the credit risk has increased significantly since the initial recognition. To carry out this assessment, it compares the risk of default of the financial instrument on the reporting date with the risk of default on the date of initial recognition and considers reasonable and substantiated information that is available without disproportionate costs or efforts and that is indicative of significant increases in credit risk since the initial recognition.

Lastly, objective evidence of impairment was analysed, taking into account both quantitative information (e.g. drop in credit rating, very significant increases in Credit Default Swap prices, etc.) and qualitative information (e.g. declaration of insolvency, etc.)

A large part of the credit risk is mitigated by the ad-hoc financing that customers linked to the implementation of the projects have, which constitutes a double guarantee of collection.

Trade receivables are generally not secured by collateral or subject to other credit enhancements, except when warranted by specific circumstances.

3.1.3. 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 or similar and the capacity to settle market positions.

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

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

Therefore, the Group'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**
Borrowings (Note 20) *	(624,570)	(685,899)
Cash and cash equivalents (Note 14)	1,018,409	1,033,657
Net cash	393,839	347,758
Undrawn credit facilities **	50,000	8,248
Total liquidity reserves	**443,839**	**356,006**

*This amount does not include borrowings associated with rights of use of leased assets or the Participative loan.

** This amount does not include the unused amount of the limits in the MARF (bonds and promissory notes) amounting to EUR 172 million and EUR 177 million in 2024 and 2023, respectively.

The two signed syndicated credit facilities, as well as 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 Group 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, described here (for the compliance with the Group's covenants, see Note 20).

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

For 2025, 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.

The table below shows an analysis of the financial liabilities, grouped by maturities, in accordance with the remaining periods at the consolidated balance sheet date until the contractual maturity date. The amounts shown in the table correspond to the balances resulting from applying the amortised cost method (carrying amounts), which basically coincide with the undiscounted expected cash flows. The balances payable within 12 months are equivalent to their carrying amounts, given that the discount effect is not significant.

	Thousands of Euros			
	Within one year	From 1 to 2 years	From 3 to 5 years	More than 5 years
At 31 December 2024				
Borrowings (Note 20)	284,001	268,055	72,514	-
Participative loans (Note 20)	-	175,000	-	-
Borrowings associated with rights of use of leased assets (Note 8)	22,451	25,296	41,320	-
Derivative financial instruments (Note 10)	42,260	846	-	-
Trade and other payables (Note 19)	3,164,017	-	-	-
Total	**3,512,729**	**469,197**	**113,834**	**-**
At 31 December 2023				
Borrowings (Note 20)	305,141	277,968	102,790	-
Participative loans (Note 20)	-	-	175,000	-
Borrowings associated with rights of use of leased assets (Note 8)	19,897	25,746	-	-
Derivative financial instruments (Note 10)	1,058	-	-	-
Trade and other payables (Note 19)	3,098,730	-	-	-
Total	**3,424,826**	**303,714**	**277,790**	**-**

As expected by the Group, 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.

3.2. Capital risk management

The Group'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 Group monitors capital on the basis of the leverage ratios set out below. The leverage ratio is calculated as financial debt (as calculated for covenant compliance purposes) divided by equity. Equity is the amount shown in the consolidated financial statements. Likewise, the index is calculated that determines the ratio between the net cash position (see calculation in Note 3.1.3) and equity.

	Thousands of Euros	
	2024	**2023**
Borrowings (Note 20)	(624,570)	(685,899)
Net cash position and FAFV	393,839	347,758
Equity	399,635	324,517
% Borrowings / Equity	156.29%	211.36%
% Net cash position and FAFV / Equity	98.55%	107.16%

*This amount does not include borrowings associated with rights of use of leased assets or the Participative loan

3.3. 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 Group'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 other comprehensive income	-	264	-	264
Hedging derivatives (Note 10)	-	8,689	-	8,689
Total assets	**-**	**8,953**	**-**	**8,953**
Liabilities				
Hedging derivatives (Note 10)	-	43,106	-	43,106
Total liabilities	**-**	**43,106**	**-**	**43,106**
At 31 December 2023	**Level 1**	**Level 2**	**Level 3**	**Total balance**
Assets				
Financial assets at fair value through other comprehensive income	-	264	-	264
Hedging derivatives (Note 10)	-	26,131	-	26,131
Total assets	**-**	**26,395**	**-**	**26,395**
Liabilities				
Hedging derivatives (Note 10)	-	1,058	-	1,058
Total liabilities	**-**	**1,058**	**-**	**1,058**

There were no transfers between levels 1 and 2 during the year.

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 Group 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 the observable market data available 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.

Regarding 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 Group's own credit risk, where applicable.

Due to the nature of the Group'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 Group 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 Group 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 Group, 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 Group, the credit risk is applied to the Group's final settlement. To determine whether or not the settlement of the forwards will be favourable for the Group, 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.

3.4. 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, CO2 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 CO2 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 particular 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.

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.

4. Accounting estimates and judgements

When preparing the consolidated financial statements in accordance with EU-IFRSs, Management must make estimates and assumptions that may affect the accounting policies adopted and the amount of assets, liabilities, income and expenses and the related breakdowns. Estimates and assumptions are based, among other aspects, on historical experience or other events considered reasonable in view of the facts and circumstances analysed. The resulting accounting estimates may differ significantly from the corresponding outcomes in real life. The main estimates are the following:

4.1. Income tax and deferred tax assets

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

The tax expense therefore amounted to EUR 56,535 thousand in 2024 (EUR 43,602 thousand in 2023) (See Note 26).

The Group also assesses the recoverability of deferred tax assets based on the existence of future taxable profit against which these assets may be utilised.

4.2. Useful lives of property, plant and equipment and intangible assets

Group 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 Group 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. Historically, there were no material adjustments made in relation to the useful lives of the assets.

4.3. Accounts receivable

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

4.4. Provisions

Provisions are recognised when it is probable that a present obligation, resulting from past events, will require an outflow of resources and when the amount of the obligation may be reliably estimated. Significant estimates are required to fulfil the applicable accounting requirements. Group 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.

4.5. Revenue and expense recognition

The Group uses the percentage of completion method to recognise revenue and expenses. The percentage of completion is determined based on a financial assessment of the tasks effectively carried out as of the balance sheet date as a percentage of the total estimated costs for each contract.

This revenue recognition method is applied only when the outcome of the contract can be reliably estimated and it is likely that the contract will generate profits. If the outcome of the contract cannot be reliably estimated, revenue is recognised to the extent that costs are recovered. When it is likely that the costs of the contract will exceed contract revenue, the loss is immediately recognised as an expense.

When applying the percentage-of-completion method, the Group analyses various factors that may give rise to changes in the estimated costs of the projects with regard to that plant and, based on this analysis, makes significant estimates relating to the total costs necessary to perform the contract. These estimates are reviewed and assessed regularly in order to verify whether or not a loss has been generated and whether it is possible to continue applying the percentage-of-completion method or whether it is necessary to re-estimate the expected margin on the project. Revenue from claims made by the Group against customers or from changes in the scope of the projects are included in contract revenue when it is highly probable that the Group will receive an inflow of funds (see Note 2.19).

4.6. Fair value of unlisted financial instruments

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

4.7. Warranty claims

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

4.8. Impairment of concession assets

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

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

5. Segment information

Segment information included in the Consolidated Financial Statements is presented in accordance with the disclosure requirements of IFRS 8 'Operating Segments'. The segments are presented following the structure of the Group's business, providing information based on the geographical areas in which the Group operates.

Although the Group'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.

The different operating segments can be summarised as follows:

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

The Group also has extensive experience in the design and construction of the most advanced technologies for clean refining production processes. TR 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.

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 Group 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.

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.

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

(i) Hydrogen;

Through this business line, the Group 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.

(ii) Carbon capture and storage

The Carbon Capture and Storage (“CCS”) line helps energy-intensive industrial companies, such as the steel, chemical, cement and paper industries, 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 Group 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.

(iii) Circular Economy and Bioproducts

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

Other: This segment provides direction, management, engineering, procurement, construction and commissioning services for facilities related to activities outside the Group'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.

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

The operating segment analysis is based on an assessment of the profit/loss from segment operations, adjusted for unallocated Group overheads. In addition, the Group manages financing activities and the effect of income tax. Therefore, finance income, finance costs and income tax, as well as financial debt and taxes payable, have not been allocated by segment. In addition, non-current assets and the related depreciation, amortisation or impairment are not allocated as they are not considered to be material.

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

	Refining		Natural gas		Petrochemical		Low-carbon technologies		Other		Unallocated		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Segment profit or loss														
Revenue	691,405	47,510	2,941,611	2,347,431	571,222	611,565	130,100	42,017	117,108	186,628	-	-	4,451,446	4,135,152
Profit/(Loss) from operations	(27,815)	10,235	154,608	174,049	170,953	105,240	9,910	4,735	(15,149)	(40,338)	(111,299)	(97,323)	181,208	156,598
% Return	**-4.0%**	**1.1%**	**5.3%**	**7.4%**	**29.9%**	**17.2%**	**7.6%**	**11.3%**	**-12.9%**	**-21.6%**			**4.1%**	**3.8%**
Net financial profit/loss(Note 25)	-	-	-	-	-	-	-	-	-	-	(35,120)	(52,849)	(35,120)	(52,849)
Earnings from sales and share in profit/(loss) of associates	-	-	-	-	-	-	-	-	-	-	(133)	(416)	(133)	(416)
Profit/(Loss) before tax	-	-	-	-	-	-	-	-	-	-	-	-	145,955	103,332
Income tax	-	-	-	-	-	-	-	-	-	-	(56,535)	(43,602)	(56,535)	(43,602)
Profit/(Loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-	89,420	59,730
Segment assets and liabilities														
Assets	1,379,106	1,609,193	1,770,555	1,746,495	491,050	348,805	31,190	12,696	157,816	162,299	798,700	620,477	4,628,418	4,499,964
Associates	889	1,500	-	-	-	-	-	-	(72)	(550)	-	-	817	950
Total assets	1,379,995	1,610,693	1,770,555	1,746,495	491,050	348,805	31,190	12,696	157,744	161,749	798,700	620,477	4,629,235	4,500,915
Total liabilities	1,213,938	1,290,583	1,401,294	1,392,861	363,928	333,010	21,078	9,390	79,090	25,611	1,150,272	1,124,943	4,229,600	4,176,398
Investments in non-current assets (Notes 6 and 7)	3,377	2,911	740	471	567	71	0	0	45	43	2,527	10,514	7,256	14,009
Other segment information														
Depreciation of property, plant and equipment (Note 6)	-	-	-	-	-	-	-	-	-	-	5,922	4,310	5,922	4,310
Amortisation of intangible assets (Note 7)	-	-	-	-	-	-	-	-	-	-	1,713	1,699	1,713	1,699
Impairment losses on trade receivables (Note 11)	-	-	-	-	-	-	-	-	-	-	610	5,139	610	5,139

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

	Thousands of Euros	
	Revenue	
	2024	2023
Spain	100,260	62,782
Middle East	2,673,755	2,135,889
America	468,316	724,960
Asia	379,832	488,378
Europe	682,443	644,042
Mediterranean	146,840	79,101
	4,451,446	4,135,152

Income from the Middle East relates mainly to operations in Saudi Arabia, Abu Dhabi, Kuwait, Bahrain, Qatar and Oman; in America, income comes primarily from operations in Peru, Mexico, Colombia and Chile; in Asia this income is from operations in Malaysia, Thailand and Singapore; in Europe the operations were focused primarily in Belgium and Poland; and in the Mediterranean operations were focused basically on Turkey and Algeria.

The revenue generated by the Group's top five clients accounted for 53.64% of total revenue in 2024 (2023: 59.76%). Revenue generation by clients that individually accounted for over 10% of total consolidated revenue in 2024 amounted to EUR 1,469.9 million (2023: EUR 1,925 million).

All assets and liabilities allocated to the operating segments are measured using the same criteria as those described in Note 2. These assets and liabilities are allocated by region based on their physical location. The detail of the assets and investments in non-current assets is as follows:

	Thousands of Euros			
	Assets		Investments in non-current assets	
	2024	2023	2024	2023
Spain	816,378	639,307	467	57
Middle East	2,413,490	2,315,721	1,498	469
America	314,397	620,058	559	464
Asia	227,710	108,293	2,138	2,059
Europe	576,959	525,087	161	13
Mediterranean	192,572	128,257	328	450
Subtotal	4,541,506	4,336,724	5,150	3,513
Associates	817	950	-	-
Unallocated	86,912	163,241	2,105	10,496
	4,629,235	**4,500,915**	**7,256**	**14,009**

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

	Thousands of Euros	
	2024	**2023**
Segment assets	3,830,534	3,880,438
Unallocated:		
Non-current assets	345,649	335,340
Current assets	453,052	285,137
	4,629,235	**4,500,915**

	Thousands of Euros	
	2024	**2023**
Liabilities by Segment	3,079,328	3,051,455
Unallocated:		
Non-current liabilities	643,803	646,037
Current liabilities	506,470	478,905
	4,229,600	4,176,398

6. Property, plant and equipment

The detail of ‘Property, plant and equipment’ and of the changes to it is as follows:

	Thousands of Euros					
Cost	**Land and buildings**	**Plant and machinery**	**Furniture and equipment**	**Property, plant and equipment in the course of construction**	**Other items of property, plant and equipment**	**Total**
Balances at 1 January 2023	**633**	**17,172**	**32,415**	**2,537**	**5,017**	**57,774**
Increases	6,844	532	6,549	-	45	13,970
Reductions	(175)	(1,091)	(1,798)	-	(297)	(3,361)
Translation differences and IAS 29	300	231	(744)	-	(65)	(278)
Balances at 31 December 2023	**7,602**	**16,844**	**36,422**	**2,537**	**4,700**	**68,105**
Increases	154	540	6,081	-	7	6,782
Reductions	-	(372)	(1,616)	-	(162)	(2,150)
Exclusions from the scope of consolidation	-	-	(71)	-	-	(71)
Reclassifications	-	(177)	176	-	1	-
Translation differences and IAS 29	84	520	1,241	-	121	1,966
Balances at 31 December 2024	**7,840**	**17,355**	**42,233**	**2,537**	**4,667**	**74,632**

Accumulated depreciation and impairment losses	**Land and buildings**	**Plant and machinery**	**Furniture and equipment**	**Property, plant and equipment in the course of construction**	**Other items of property, plant and equipment**	**Total**
Balances at 1 January 2023	**48**	**14,443**	**28,254**	**2,537**	**2,953**	**48,235**
Increases	917	503	2,795	-	95	4,310
Reductions	(71)	(926)	(1,771)	-	(329)	(3,097)
Translation differences and IAS 29	(2)	(39)	(597)	-	(71)	(709)
Balances at 31 December 2023	**892**	**13,981**	**28,681**	**2,537**	**2,648**	**48,739**
Increases	1,859	562	3,446	-	55	5,922
Reductions	-	(170)	(1,575)	-	(162)	(1,907)
Exclusions from the scope of consolidation	-	-	(71)	-	-	(71)
Reclassifications	3	(43)	53	-	(13)	-
Translation differences and IAS 29	196	110	1,102	-	130	1,538
Balances at 31 December 2024	**2,950**	**14,440**	**31,636**	**2,537**	**2,658**	**54,221**
Net balance at 1 January 2023	**585**	**2,729**	**4,161**	**-**	**2,064**	**9,539**
Net balance at 31 December 2023	**6,710**	**2,863**	**7,741**	**-**	**2,052**	**19,366**
Net balance at 31 December 2024	**4,890**	**2,915**	**10,595**	**-**	**2,011**	**20,411**

‘Land and buildings' mainly includes parking spaces that are owned by certain Group companies.

The additions to “Furniture and equipment” in 2024 and 2023 mainly relate to acquisitions of computer equipment, mainly in Spain and India, as a result of the increase in activity in these countries.

The additions to "Land and buildings" in 2023 relate mainly to the facilities acquired in Poland for the implementation of an EPC project.

At 31 December 2024, the Group had investments in property, plant and equipment abroad for a total cost of EUR 43,372 thousand (2023: EUR 38,463 thousand) and accumulated depreciation of EUR 31,604 thousand (2023: EUR 27,591 thousand).

The Group takes out all of the insurance policies it considers necessary to cover the risks that might affect its property, plant and equipment.

In 2024 and 2023, no provision was made for the depreciation of property, plant and equipment.

7. Intangible assets

The detail of 'Intangible assets' and of the changes therein is as follows:

	Thousands of Euros		
	Administrative concessions	**Computer software and other intangible assets**	**Total**
Balances at 1 January 2023	**74,361**	**4,097**	**78,458**
Increases	-	38	38
Reductions	-	(206)	(206)
Translation differences and IAS 29	-	(44)	(44)
Balances at 31 December 2023	**74,361**	**3,885**	**78,246**
Increases	-	474	474
Reductions	-	(581)	(581)
Translation differences and IAS 29	-	28	28
Balances at 31 December 2024	**74,361**	**3,806**	**78,167**

Accumulated depreciation and impairment losses	**Administrative concessions**	**Computer software and other intangible assets**	**Total**
Balances at 1 January 2023	**28,580**	**2,898**	**31,478**
Increases	1,515	184	1,699
Reductions	-	(201)	(201)
Translation differences and IAS 29	-	(42)	(42)
Balances at 31 December 2023	**30,095**	**2,839**	**32,934**
Increases	1,483	230	1,713
Reductions	-	(580)	(580)
Reclassifications	(71)	71	-
Translation differences and IAS 29	-	24	24
Balances at 31 December 2024	**31,507**	**2,584**	**34,091**
Net balance at 1 January 2023	**45,781**	**1,199**	**46,980**
Net balance at 31 December 2023	**44,266**	**1,046**	**45,312**
Net balance at 31 December 2024	**42,854**	**1,222**	**44,076**

Research and development expenditure charged directly to the income statement during the year amounted to EUR 7,200 thousand (2023: EUR 10,500 thousand).

'Computer software and other intangible assets' includes the title to and the right to use computer programs acquired from third parties. Computer software does not include the amounts related to the internal development of computer programs.

No finance costs were capitalised in 2024 or 2023.

In 2024 and 2023, no provision was made for the depreciation of intangible assets.

a) Administrative concessions

This heading includes the following public service concession arrangements:

	Concession	Year completed	Remuneration	Redemption
1	Alcobendas sports complex	2062	User charges	At end of concession term
2	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
3	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 (2023: EUR 5,675 thousand).

8. Rights of use on leased assets

The detail of and the changes to 'Rights of use on leased assets' are as follows:

	Thousands of Euros			
	Offices	**Housing**	**Vehicles**	**Total**
Cost				
1 January 2023	**91,505**	**21,133**	**19,069**	**131,707**
Additions	7,611	4,171	3,956	15,738
Disposals	(40,780)	(15,269)	(15,470)	(71,519)
Reclassifications	-	(210)	210	-
Changes due to amendments to existing contracts	(2,276)	(215)	(259)	(2,749)
Translation differences	(373)	(141)	(549)	(1,063)
31 December 2023	**55,688**	**9,469**	**6,958**	**72,114**
Additions	56,388	4,873	7,722	68,983
Disposals	(1,438)	(1,293)	(435)	(3,166)
Changes due to amendments to existing contracts	(684)	(85)	(12)	(781)
Translation differences	535	712	256	1,504
31 December 2024	**110,489**	**13,676**	**14,489**	**138,654**
Amortisation charge				
1 January 2023	**47,687**	**14,375**	**18,335**	**80,397**
Charge for the year	12,963	3,693	3,275	19,931
Disposals	(40,780)	(15,269)	(15,470)	(71,519)
Reclassifications	-	2,164	(2,164)	-
Translation differences	(582)	(191)	(279)	(1,051)
31 December 2023	**19,288**	**4,771**	**3,698**	**27,757**
Charge for the year	15,346	5,404	4,524	25,274
Disposals	(1,438)	(1,293)	(435)	(3,166)
Translation differences	814	500	106	1,420
31 December 2024	**34,010**	**9,382**	**7,893**	**51,285**
Net balance at 1 January 2023	**43,821**	**6,757**	**732**	**51,310**
Net balance at 31 December 2023	**36,399**	**4,698**	**3,260**	**44,357**
Net balance at 31 December 2024	**76,479**	**4,294**	**6,596**	**87,369**

The additions in 2024 mainly relate to the new lease signed for the offices in Spain, which has been signed for a period of 8 years, and the new leases for the housing and vehicles of employees mainly in Singapore, Abu Dhabi and Saudi Arabia.
The disposals in 2024 relate to those rights of use that had been fully amortised at 31 December 2024.

The amounts paid in relation to rights of use on leased assets at 31 December 2024 amounted to EUR 26,400 thousand (2023: EUR 20,855 thousand).

At 31 December 2024, the borrowings associated with the rights of use of leased assets amounted to EUR 89,067 thousand (2023: EUR 45,643 thousand) and the interest charged to the income statement amounted to EUR 1,810 thousand (2023: EUR 1,205 thousand).

The rights of use are not directly related to the Group's cash generating units.
As at 31 December 2024 no impairment of these assets has become evident. The related liabilities are recorded at that date.

9. Investments in associates

The detail of and changes in investments in associates is as follows:

	Thousands of Euros	
	2024	**2023**
Beginning balance	**1,113**	**1,529**
Share of profit/(loss)	(133)	(416)
Ending balance	**980**	**1,113**

The amount of this heading includes the interest in the equity of associates (over which it does not have control). At 31 December 2024, it related mainly to the stake in the company Minatrico S. de. R.L. de C.V.

'Share in profit/(loss) of associates' in 2024 and 2023 included the share in the profit/loss of Master S.A de Ingeniería y Arquitectura.

The reporting date of the financial statements of all associates coincides with the reporting date of the Parent's financial statements. The Group's interest in its main associates, all of which are unlisted, is as follows:

Name	Country of incorporation	Assets	Liabilities	Revenue	Profit/(loss)	% ownership interest
2024						
Master S.A de Ingeniería y Arquitectura	Spain	4	184	-	(133)	40.00%
Ebramex S. de R.L. de C.V.	Mexico	201	11,837	-	-	33.33%
Minatrico S. de R.L. de C.V.	Mexico	5,179	386	-	-	33.33%

Name	Country of incorporation	Assets	Liabilities	Revenue	Profit/(loss)	% ownership interest
2023						
Master S.A de Ingeniería y Arquitectura	Spain	21	1,396	282	(416)	40.00%
Ebramex S. de R.L. de C.V.	Mexico	232	13,624	-	-	33.33%
Minatrico S. de R.L. de C.V.	Mexico	14,244	6,786	-	-	33.33%

This balance relates to minor investments in companies that are not listed on any active market and over which the Group does not have control.

No provisions for impairment losses in investments in associates were recognised in 2024 or 2023.

10. Financial instruments

10.1. Financial instruments by category

The detail, by nature and measurement category, of the financial assets (excluding cash and cash equivalents) and financial liabilities for the years ended 31 December 2024 and 2023, is as follows:

	At 31 December 2024		
Nature / Category	**Financial assets through other comprehensive income**	**Amortised cost**	**Hedging derivatives (Note 10.2)**
Accounts receivable and other financial assets (Note 13)	264	93,278	-
Long-term/non-current	**264**	**93,278**	**-**
Derivatives	-	-	8,689
Loans and receivables (Note 11)	-	2,995,128	-
Accounts receivable and other financial assets (Note 13)	-	8,565	-
Short-term/current	**-**	**3,003,694**	**8,689**
Total financial assets	**264**	**3,096,971**	**8,689**

	At 31 December 2023		
Nature / Category	**Financial assets through other comprehensive income**	**Amortised cost**	**Hedging derivatives (Note 10.2)**
Accounts receivable and other financial assets (Note 13)	264	91,773	-
Long-term/non-current	**264**	**91,773**	**-**
Derivatives	-	-	26,131
Loans and receivables (Note 11)	-	2,854,430	-
Accounts receivable and other financial assets (Note 13)	-	8,511	-
Short-term/current	**-**	**2,862,941**	**26,131**
Total financial assets	**264**	**2,954,714**	**26,131**

	Thousands of Euros			
	2024		2023	
Financial liabilities	**Accounts payable**	**Hedging derivatives (Note 10.2)**	**Accounts payable**	**Hedging derivatives (Note 10.2)**
Nature / Category				
Participative loans (Note 20)	175,000	-	175,000	-
Borrowings (Note 20)	340,569	-	380,758	-
Borrowings associated with rights of use of leased assets (Note 8)	66,616	-	25,746	-
Derivatives	-	846	-	-
Other accounts payable	272	-	262	-
Non-current payables/Non-current financial liabilities	**582,457**	**846**	**581,766**	**-**
Borrowings (Note 20)	284,001	-	305,141	-
Borrowings associated with rights of use of leased assets (Note 8)	22,451	-	19,897	-
Derivatives	-	42,260	-	1,058
Commercial accounts payable (Note 19)	3,143,662	-	3,076,251	-
Other accounts payable	20,355	-	22,479	-
Current payables/Current financial liabilities	**3,470,469**	**42,260**	**3,423,768**	**1,058**
Total financial liabilities	**4,052,926**	**43,106**	**4,005,534**	**1,058**

10.2. 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	8,416	40,181	26,029	974
Commodity forward contracts	273	2,925	102	84
Total	**8,689**	**43,106**	**26,131**	**1,058**
Non-current portion	**-**	**846**	**-**	**-**
Current portion	**8,689**	**42,260**	**26,131**	**1,058**

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

The Group assesses the effectiveness of the hedges by conducting efficacy tests (prospective tests) in which the changes in hedged cash flows are compared with the changes in the cash flows of the assigned 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:

			Notional maturities (thousands)				
Type of instrument	**Fair value (thousands of Euros) 2024**	**Currency**	**2025**	**2026**	**2027**	**2028**	**Total**
Foreign currency forward contracts							
US Dollar / Euro	8,415	USD	172,076	-	-	-	172,076
EUR/JPY	1	EUR	1,182	-	-	-	1,182
Commodities	273						
Assets	**8,689**						

			Notional maturities (thousands)				
Type of instrument	**Fair value (thousands of Euros) 2024**	**Currency**	**2025**	**2026**	**2027**	**2028**	**Total**
Foreign currency forward contracts							
US Dollar / Euro	39,063	USD	1,072,085	-	-	-	1,072,085
USD / SGD	194	USD	5,720	-	-	-	5,720
EUR/JPY	437	EUR	16,772	7,116	-	-	23,888
USD/MXN	487	USD	14,759	-	-	-	14,759
Commodities	2,925						
Liabilities	**43,106**						
Net balances	**(34,417)**						

Type of instrument	Fair value (thousands of Euros) 2023	Currency	Notional maturities (thousands) 2024	2025	2026	2027	Total
Foreign currency forward contracts							
US Dollar / Euro	23,809	USD	912,200	-	-	-	912,200
US Dollar/SGD	267	USD	9,217	-	-	-	9,217
Canadian Dollar / Euro	21	CAD	677	-	-	-	677
Euro / Japanese yen	1,421	EUR	16,438	-	-	-	16,438
EUR/PLN	511	EUR	16,450	-	-	-	16,450
Commodities	102						
Assets	**26,131**						

Type of instrument	Fair value (thousands of Euros) 2023	Currency	Notional maturities (thousands) 2024	2025	2026	2027	Total
Foreign currency forward contracts							
US Dollar / Euro	974	USD	48,200				48,200
Commodities	84						
Liabilities	**1,058**						
Net balances	**25,073**						

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:

	2024	2025	2026	2027	2028	Total fair value
Total assets 2024	-	8,689				**8,689**
Total liabilities 2024	-	42,260	846	-	-	**43,106**
Total assets 2023	26,131	-	-	-		**26,131**
Total liabilities 2023	1,058	-	-	-	-	**1,058**

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

The Group’s maximum exposure to credit risk at the balance sheet date is the fair value of balance-sheet derivative liabilities.

At 31 December 2024, the cumulative loss, net of tax, in the hedging reserve under consolidated equity, as a result of foreign currency forward contracts, amounted to EUR 17,907 thousand (2023: a profit of EUR 10,856 thousand). These results are recognised in the consolidated income statement in the period or periods during which the hedged transaction affects the consolidated income statement. The impact on the consolidated income statement recognised as part of profit or loss from operations in 2024 under “Procurements” and “Revenue” was a loss of EUR 21,927 thousand (2023: loss of EUR 9,362 thousand).

The changes in hedging derivatives and the hedging reserve, as well as their impacts on equity and the income statement during the year, are as follows:

	01.01.2024	Income recognised in equity *	Settlements for the year ***	31.12.2024
Hedging derivatives (net liability position)	25,073	(60,164)	671	(34,420)

	01.01.2024	Income recognised in equity *	Transfers to the income statement **	31.12.2024
Hedging reserve (gross of tax effect)	(14,480)	60,164	(21,704)	23,980

* Refers to the portion of the profit or loss on the hedged instrument that has been determined to be an effective hedge.

** Amount taken to the income statement for the year, to the extent that the hedged transaction impacts profit or loss.

*** Value of the hedging derivatives settled by the Group during the year.

	01.01.2023	Income recognised in equity *	Settlements for the year ***	31.12.2023
Hedging derivatives (net liability position)	16,420	23,885	(15,232)	25,073

	01.01.2023	Income recognised in equity *	Transfers to the income statement **	31.12.2023
Hedging reserve (gross of tax effect)	19,036	(23,885)	(9,409)	(14,258)

* Refers to the portion of the profit or loss on the hedged instrument that has been determined to be an effective hedge.

** Amount taken to the income statement for the year, to the extent that the hedged transaction impacts profit or loss.

*** Value of the hedging derivatives settled by the Group during the year.

In 2024 and 2023, no ineffectiveness worthy of mention arose as a result of foreign currency hedges, which is recognised, if it arises, in the income statement as financial profit or loss.

11. Trade and other receivables

The detail of this heading at the end of 2024 and 2023 is as follows:

	Thousands of Euros	
	2024	**2023**
Completed work yet to be certified	2,353,160	2,205,045
Trade receivables	277,125	295,494
Customer retentions	117,104	163,777
Less: Provision for impairment of accounts receivable	(27,616)	(43,688)
Trade receivables, net	2,719,773	2,620,629
Other accounts receivable	9,507	17,804
Prepayments	108,933	99,003
Tax receivables	142,601	102,491
Other	14,314	14,505
Total	**2,995,128**	**2,854,430**

Completed work yet to be certified (OEPC)

Completed work yet to be certified is calculated in accordance with the revenue recognition criterion established in Note 2.20.

‘Completed work yet to be certified’ includes the non-contentious claims expected to be collected from clients that are being negotiated and recognised in accordance with that indicated in Note 2.20.

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 certified’ in accordance with that indicated in Note 2.20.

The changes in "Completed work yet to be certified" in 2024 and 2023 were as follows:

	Thousands of Euros			
	Completed work yet to be certified	Change orders in negotiation	Claims in negotiation	Total
Balance at 01 January 2023	**2,001,101**	**95,554**	**493,521**	**2,590,176**
Billing for the year	(2,130,930)	-	-	(2,130,930)
Additions	-	63,125	154,900	218,025
Approved change orders and claims	367,174	(46,351)	(320,823)	-
Derecognitions due to adjustments	-	(1,888)	(17,548)	(19,436)
Changes in the level of progress	1,547,210	-	-	1,547,210
Balance at 31 December 2023	**1,784,555**	**110,439**	**310,050**	**2,205,045**
Billing for the year	(1,735,199)	**-**	**-**	(1,735,199)
Additions	**-**	138,621	112,251	250,872
Approved change orders and claims	147,525	(35,274)	(112,251)	-
Derecognitions due to adjustments	-	(3,933)	(3,711)	(7,644)
Changes in the level of progress	1,640,086	-	-	1,640,086
Balance at 31 December 2024	**1,836,967**	**209,853**	**306,339**	**2,353,160**

The additions to change orders and claims mainly relate to projects in Saudi Arabia, the United Arab Emirates, Qatar and Europe.

In general, the average length of change orders and claims is less than one year, and only in specific cases do they exceed this period.

The change orders and claims approved in 2024 mainly relate to projects in Saudi Arabia and the United Arab Emirates.

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

The breakdown of the main projects making up the balance of the total amount of completed work yet to be certified is as follows:

Project	**Thousands of Euros**
MARJAN PACKAGE 9 & 11	511,999
EPC ORLEN	277,062
Qatar NFE Package 3	215,497
EPC FOR DALMA GAS DEVELOPMENT PROJECT	176,330
BU HASA Integrated Field Development Pro	165,589
KNPC AL-ZOUR REFINERY PROJECT - PAC	113,356
RIYAS NGL- PKG1 & PKG2	109,759
	1,569,593
% of total	67%

As at 31 December 2024, the total amount of completed work yet to be certified that is more than 12 months old stands at EUR 439 million (EUR 441 million in 2023), of which EUR 265 million relates to change orders and claims (EUR 202 million in 2023). The Group has assessed its contractual rights and the amounts claimed and considers that the completed work yet to be certified will be certified without significant differences as regards the amounts recognised.

As at 31 December 2024, the provisions recognised for the completed work yet to be certified amounted to EUR 48 million (EUR 55 million in 2023), with EUR 1.5 million recognised in the provision for payables to clients (EUR 9 million in 2023) and EUR 46.5 million (EUR 46 million in 2023) in the provision for contingencies and charges (Note 21).

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 87,758 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 235,283 thousand.

At 31 December 2024 and 2023, the total amount requested for claims amounted to EUR 1,412,530 thousand and EUR 1,032,452 thousand, respectively. The breakdown of the geographical areas of the amounts recognised is as follows:

• Middle East: 58.1%

• America: 6.9%

• Mediterranean, Europe and Asia: 35.0%

At 31 December 2024 and 2023, the total amount requested for change orders amounted to EUR 486,965 thousand and EUR 248,477 thousand, respectively.

Trade receivables

The analysis of the age of these accounts receivable is as follows:

	Thousands of Euros	
	2024	**2023**
Not due	199,479	103,768
Less than 3 months	15,976	88,654
Between 3 and 6 months	6,859	11,072
More than 6 months	54,811	92,000
	277,125	**295,494**

At the date of authorisation for issue of these consolidated financial statements, EUR 96 million of the debt outstanding at 31 December 2024 had been collected, of which EUR 34 million corresponds to past-due debt.

The changes in the provision for impairment of accounts receivable and completed work yet to be certified (OEPC) are as follows:

	Thousands of Euros					
	2024			**2023**		
	Trade receivables	**OEPC**	**Total**	**Trade receivables**	**OEPC**	**Total**
Opening balance	**34,777**	**8,911**	**43,688**	**31,942**	**14,929**	**46,871**
Impairment losses charged to income	610	-	610	3,657	1,482	5,139
Amounts used/Reclassifications	(9,270)	(7,412)	(16,682)	(822)	(7,500)	(8,322)
Ending balance	**26,117**	**1,499**	**27,616**	**34,777**	**8,911**	**43,688**

At 31 December 2024, trade receivables amounted to EUR 51,529 thousand (2023: EUR 156,948 thousand), which were past due but not impaired. These receivables relate to a number of independent customers for whom there is no recent history of default.

As mentioned in Note 3.1.2, at 31 December 2024, 70% of the total ‘Trade receivables’ account (included in trade and other receivables) was concentrated in 10 clients (2023: 64%), and they relate to transactions with state-owned oil companies and top multinationals, with which the Group considers that the credit risk is very limited.

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.

Maximum exposure to credit risk at the reporting date is the carrying amount of the trade and other receivables.

The carrying amounts of the trade receivables account are denominated in the following currencies:

	Thousands of Euros	
	2023	**2023**
Euro	603,277	653,498
US Dollar	1,325,609	1,056,323
KWD	159,137	200,624
SAR	606,285	632,895
Other currencies	300,820	311,091
Total	**2,995,128**	**2,854,430**

The total amount of costs incurred and profit recognised accrued at source for all contracts in progress at the balance sheet date was EUR 29,315,729 thousand (2023: EUR 25,470,223 thousand) and EUR 3,127,779 thousand (2023: EUR 2,750,460 thousand), respectively.

At 31 December 2024, the revenue yet to be accrued from the contracts in progress for the year (not including feeds) amounted to EUR 12,479.5 thousand, which will be performed from 2025 to 2027 based on the annual progress on the various projects (2023: EUR 9,354,653 thousand).

Customer retentions

This heading includes the amounts withheld by customers and that, in accordance with the terms established in the contracts, are recoverable at the end of the contracts.

Prepayments

Prepayments refer to the payments made on account for specific supplies to be used in the Group's projects. The increase or decrease in the amount of this heading is cyclical and depends on the stage of completion of each of the projects at the reporting date.

Tax receivables

The detail of this heading at the end of 2024 and 2023 is as follows:

	Thousands of Euros	
	2024	**2023**
VAT payable	53,517	40,140
Tax withholdings and prepayments	52,479	38,674
Other balances	36,605	23,677
	142,601	102,491

12. Inventories

The detail of 'Inventories' is as follows:

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

13. Accounts receivable and other financial assets

	Thousands of Euros	
	2024	2023
Accounts receivable and other non-current financial assets		
Loans to employees	130	288
Long-term loans to associates	264	264
Financial instruments at amortised cost	11,363	10,256
Loans to public authorities	8,569	8,569
Other non-current assets	82,052	81,496
	102,378	**100,873**
Impairment loss on accounts receivable	(8,836)	(8,836)
	93,542	**92,037**
Accounts receivable and other current financial assets		
Loans to venturers in joint ventures and joint arrangements	8,358	8,150
Current investments held to maturity	207	361
	8,565	**8,511**

The changes in the provision for impairment of accounts receivable and other financial assets are as follows:

	Thousands of Euros	
	2024	2023
Beginning balance	**8,836**	**8,802**
Reversals/Amounts used	-	(2,752)
Allowance	-	2,786
Ending balance	**8,836**	**8,836**

The carrying amount of accounts receivable and other financial assets is considered to approximate their fair value. Maximum exposure to credit risk at the reporting date is the carrying amount of the accounts receivable and other financial assets.

'Financial instruments at amortised cost' mainly includes the amount of guarantees and deposits.

The 'Other non-current assets' in 2024 and 2023 include mainly the amounts transferred to clients as security for compliance with any obligations that may arise from the outcome of lawsuits. The Group includes the estimated probable cost that could arise from the outcome of the above lawsuits under "Non-current provisions" (Note 21).

The average interest rate on loans to venturers in UTEs and joint ventures in 2024 and 2023 was at market interest rates: Euribor + 2% and other benchmarks 2% in both years

'Loans to public authorities' includes the balances receivable for various concessions. In 2014, the Group decided to withdraw from the operating concessions due to the fact that after the contracts were awarded to Técnicas Reunidas, there were circumstances that significantly affected and altered the agreed legal relationships and ownership arrangements with the respective local authorities.

The Group informed the local governments of its decision to withdraw from the concessions. As of today's date the matter has not yet been definitively resolved and the concessions are not operational at this time.

The termination of the concession arrangement should result in a refund of the amounts invested by Técnicas Reunidas.

14. Cash and cash equivalents

The detail of cash and cash equivalents is as follows:

	Thousands of Euros	
	2024	**2023**
Cash on hand and at banks	730,829	613,245
Short-term bank deposits and other cash equivalents	287,580	420,412
	1,018,409	**1,033,657**

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). The short-term bank deposits earn interest at market rates. The average yields on deposits were EUR 3.46% and USD 5.13% and the average term was 15 days (EUR 3.70% and USD 5.15% and the average term was 15 days in 2023)

Of the total balance of cash and cash equivalents at 31 December 2024, EUR 474,613 thousand (2023: EUR 479,181 thousand) arose from the inclusion of the joint operations and unincorporated temporary joint ventures with third parties, as detailed in Appendices III and IV, respectively.

There were no cash or cash equivalents with restricted availability at 31 December 2024 and 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.

15. Share capital, share premium and treasury shares

	Thousands of Euros			
	Share capital	**Share premium**	**Treasury shares**	**Total**
Balance at 01 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**

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 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	72,910
Increases/purchases	3,527,929	36,649	3,651,826	34,215
Decreases/sales	(3,556,311)	(36,720)	(3,646,164)	(33,292)
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 Parent’s share capital (2023: 2.76%) and totalled 2,191,252 shares (2023: 2,219,634 shares) and have a weighted average price of EUR 33.66 per share (2023: EUR 33.26 per share).

Since 21 June 2006, all shares of Técnicas Reunidas, S.A. have been admitted to trading on the four Spanish Stock Exchange 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.

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%

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.

The shareholders at the Parent'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 Parent 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 Exchange, 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.

16. Other reserves

	Thousands of Euros	
	2024	**2023**
Legal reserve	1,606	1,137
	1,606	**1,137**

The legal reserve cannot be distributed to shareholders and can only be used to offset losses, provided that other reserves are not available for this purpose. Under certain conditions, it may also be used to increase share capital.

17. Cumulative translation differences

The translation differences in this heading in 2024 and 2023 were as follows:

	Thousands of Euros
1 January 2023	**(71,885)**
Group companies and associates	9,063
31 December 2023	**(62,822)**
Group companies and associates	14,086
31 December 2024	**(48,736)**

The breakdown, by company or subgroup, of the cumulative translation differences at the end of 2024 and 2023 is as follows:

	2024	2023
Company or subgroup		
Técnicas Reunidas, S.A.	21,900	5,256
Abu Dhabi branch	*(1,735)*	*2,743*
Australia branch	-	*(2,284)*
Qatar branch	*3,845*	*(1,040)*
Kuwait branch	*12,575*	*5,398*
Poland branch	*6,203*	*3,755*
Other	*1,012*	*(3,316)*
Técnicas Reunidas RUP Insaat (Turkey)	(10,110)	(13,440)
Técnicas Reunidas TEC (Bolivia)	-	(4,747)
TSGI Mühendislik İnşaat Limited Şirketi (Turkey)	(34,797)	(35,076)
Técnicas Reunidas Saudia (Saudi Arabia)	(20,730)	(7,948)
Técnicas Reunidas Gulf Ltd. (Saudi Arabia)	5,018	3,127
Técnicas Reunidas Chile Limitada (Chile)	(976)	(603)
Técnicas Reunidas Peru de Talara (Peru)	(14,362)	(15,777)
Powertecno Energía (Mexico)	1,635	1,539
Treunidas Mühendislik ve İnsaat A.S (Turkey)	(1,585)	(1,801)
TR Bapco (Bahrain)	4,427	717
TR Daewoo LLC (Oman)	3,460	4,704
Técnicas Reunidas Colombia (Colombia)	(2,069)	(216)
Técnicas Reunidas LLC (Duqm) (Oman)	(326)	(699)
Técnicas Reunidas Méjico (Mexico)	384	2,560
Técnicas Reunidas Malaysia (Malaysia)	(1,439)	(1,679)
Técnicas Reunidas UK (UK)	1,100	1,696
Other	(267)	(433)
Total	**(48,736)**	**(62,822)**

In 2024, Técnicas Reunidas TEC (Bolivia) and the branch in Australia were liquidated and the translation difference generated to date was recognised as an exchange difference in the income statement (see Note 25).

18. Dividend distribution and non-controlling interests

The proposed distribution of the Parent's loss for 2024 to be submitted at the Annual General Meeting, as well as the approved distribution of profit for 2023, is as follows:

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

The Board of Directors of the Parent did not approve a dividend distribution in 2024 or 2023.

The Group has an obligation not to distribute dividends over the term of the loans received from the Fund for Supporting the Solvency of Strategic Companies (see Note 20).

a) Retained earnings

These are unrestricted voluntary reserves that amounted to EUR 363,553 thousand at 31 December 2024 (EUR 273,953 thousand at 31 December 2023).

b) Non-controlling interests

The changes in non-controlling interests in 2024 and 2023 are as follows:

	Thousands of Euros
Balance at 01/01/2023	**12,240**
Profit/(loss)	(1,222)
Translation differences	(165)
Balance at 31/12/2023	**10,853**
Profit/(loss)	(522)
Translation differences	177
Balance at 31/12/2024	**10,508**

19. Trade and other payables

Trade payables are broken down as follows:

	Thousands of Euros	
	2024	2023
Payable to suppliers - invoices receivable	1,662,875	1,586,752
Payables to suppliers	876,148	789,901
Supplier withholdings	216,597	263,804
Prepayments received for contract work	138,385	208,903
Accruals and deferrals	191,603	190,900
Other	58,054	35,992
	3,143,662	**3,076,251**

The amounts included under 'Payable to suppliers - invoices receivable' 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. ‘Supplier withholdings’ includes the amounts withheld from suppliers at the time of payment of invoices and that, in accordance with the terms of the contracts, must be disbursed on completion of the contracts.

The amounts recognised under ‘Other accounts payable’ are broken down as follows:

	Thousands of Euros	
	2024	2023
Social security taxes	8,433	7,529
Tax withholdings payable	11,864	14,772
Other	58	178
	20,355	**22,479**

The carrying amount of trade and other payables approximates their fair value.

The carrying amounts of under ‘Payable to suppliers - invoices receivable’ and ‘Payable to suppliers’ are denominated in the following currencies:

	Thousands of Euros	
	2024	2023
Euro	785,407	700,940
US Dollar	1,385,381	1,310,730
Other currencies	368,235	364,983
Total	**2,539,023**	**2,376,653**

To make it easier for our suppliers to access liquidity, the Group 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 Group 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 Group 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 reverse factoring 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 85.6 million (EUR 96.6 million in 2023), with the following maturities:

	Millions of Euros
up to 90 days	72.8
between 90 and 120 days	12.8
	85.6

The amount of the reverse factoring facilities used throughout 2024 totalled EUR 314 million (EUR 228 million in 2023), with payments made totalling EUR 325 million (EUR 201 million in 2023).

The Group 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.

20. Borrowings

The detail of the borrowings at 31 December 2024 and 2023 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 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**

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 maturities of the borrowings are broken down in Note 3 - ‘Liquidity risk’.

The carrying amount of the Group’s borrowings is denominated completely in Euros.

The Group 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 (Técnicas 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.

21. Provisions for contingencies and charges

21.1. Provisions for contingencies and charges - Non-current

	Thousands of Euros			
Item	**Provision for estimated losses**	**Provision for infrastructure**	**Other provisions**	**Total provisions for contingencies and charges**
Balance at 01/01/2023	**3,362**	**4,000**	**74,692**	**82,054**
Reversals/amounts used	-	-	-	-
Reversals/amounts used	-	-	-	-
Period provisions	-	-	-	-
Balance at 31/12/2023	**3,362**	**4,000**	**74,692**	**82,054**
Reclassifications	-	-	-	-
Reversals/amounts used	-	-	-	-
Period provisions	-	-	269	269
Balance at 31/12/2024	**3,362**	**4,000**	**74,961**	**82,323**

In compliance with IAS 37, the Group recognises provisions to cover estimated future losses on projects currently in progress.

a) Provision for infrastructure

For those projects that are completed, the Group also estimates the probable costs that will subsequently be incurred.

b) Other provisions

This line item relates to provisions arranged to cover other contingencies and charges, including payment obligations to project partners, provisions for probable risks, provisions for other non-current payments to be made.

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.

Provisions for contingencies and charges - Current

	Thousands of Euros
Balance at 01 January 2023	**1,282**
Reversals/amounts used	(1,087)
Period provisions	-
Balance at 31 December 2023	**195**
Reversals/amounts used	(63)
Balance at 31 December 2024	**132**

22. Revenue and other operating income

	Thousands of Euros	
	2024	**2023**
Income from engineering and construction contracts	4,451,446	4,135,152
Total revenue	**4,451,446**	**4,135,152**

	Thousands of Euros	
	2024	**2023**
Operating grants	3,078	4,405
Revenue from concession arrangements	5,598	5,675
Other income	1,889	1,099
Total other operating income	**10,565**	**11,179**

'Other operating revenue' includes mainly the income obtained from the operation of concessions (Note 7).

Note 5 presents the main business segments and geographical areas in which the Group operates.

23. Procurements and other operating income and expenses

23.1. Procurements

The procurement heading mainly includes:

	Thousands of Euros	
	2024	**2023**
Construction materials and sub-contracts	3,210,196	3,027,563
	3,210,196	**3,027,563**

23.2. Other operating expenses

	Thousands of Euros	
	2024	**2023**
Services	124,630	129,223
Independent professional services	63,614	52,019
Repairs and upkeep	8,764	8,474
Guarantee costs	55,490	50,384
Banking and similar services	4,786	6,505
Transport costs	26,160	22,711
Insurance premiums	17,980	27,650
Utilities and supplies	18,263	11,513
Taxes other than income tax	13,656	13,206
Other	729	29,997
	334,072	**351,682**

'Services' includes the expenses related to work performed.

“Other” mainly includes the net effect of the provisions recognised and reversed for the doubtful debts mentioned in Note 11 amounting to EUR 8,660 thousand (EUR 7,925 thousand in 2023), net of other operating expenses.

24. Employee benefit expenses

	Thousands of Euros	
	2024	**2023**
Wages and salaries	555,388	459,230
Social security expense	83,493	71,862
Other staff costs	11,770	11,808
Long-term employee remuneration obligations	2,156	2,084
	652,807	**544,985**

“Wages and salaries” includes EUR 5,113 thousand (2023: EUR 3,380 thousand) in termination benefits.

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.

25. Financial profit/(loss)

	Thousands of Euros	
	2024	**2023**
Finance income:		
Interest income from short-term deposits in banks and others	23,924	25,285
Net profits from foreign currency transactions	18,844	-
	42,768	**25,285**
Finance costs:		
Interest expense on loans with banks	(38,110)	(37,958)
Net losses from foreign currency transactions	-	(3,093)
Translation difference due to liquidation of subsidiaries and PEs	(7,053)	(15,634)
Other finance costs	(17,134)	(12,486)
Interest on lease liabilities	(1,810)	(1,205)
Total finance costs	**(64,107)**	**(70,375)**

Note 10 explains the impact of foreign currency hedging contracts on profit/(loss). That impact, as well as exchange gains/(losses) generated by the hedged instrument, is recognised as part of the operating profits/(losses).

The increase in the interest expenses on loans is due to the increase in the interest rate on the financing received through MARF and the FASEE Participative loan (SEPI). The net profit on foreign currency transactions is mainly the result of the appreciation of the US Dollar in the valuation of these items at year-end.

"Translation differences due to liquidation of subsidiaries" includes the translation differences generated in previous years when Técnicas Reunidas TEC (Bolivia) and the branch in Australia included in the scope of consolidation, which were taken to the income statement since these companies were liquidated in 2024.

Profit/(Loss) from exposure to hyperinflation

'Profit/(Loss) from exposure to hyperinflation' includes the effect of applying IAS 29 (Note 2.28) to subsidiaries operating in hyperinflationary economies. The detail by country of this effect is as follows:

	Thousands of Euros	
	2024	**2023**
Turkey	(11,172)	(9,875)
Argentina	(2,609)	2,116
	(13,781)	**(7,759)**

26. Income tax

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.

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

The breakdown of the tax expense is as follows:

	Thousands of Euros	
	2024	**2023**
Current tax	23,719	3,573
Deferred tax	32,434	36,094
Prior years' adjustments	(2,563)	1,112
Income tax on capital increase expenses	-	1,934
Adjustment for hyperinflation	(55)	889
Current tax expense for supplementary taxes as a result of Pillar 2 (*)	3,000	-
Income tax	**56,535**	**43,602**

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

The tax on the Group's profit before taxes differs from the theoretical amount that would have been obtained using the tax rate applicable to the profits of the consolidated companies as follows:

	Thousands of Euros	
	2024	**2023**
Profit/(Loss) before tax	**145,955**	**103,332**
Tax calculated at the tax rate applicable to the profits of the Parent	36,489	25,833
Tax effects of:		
Tax-exempt profits	3,671	3,442
Non-deductible expenses for tax purposes/non-taxable revenue	3,809	1,540
Effect of differences in tax rates in other countries	(9,935)	1,742
Tax on capital increase expenses	-	1,934
Tax losses for which no tax credit has been recognised	21,341	16,362
Tax loss carryforwards used	(2,053)	(11)
Adjustment for hyperinflation	(55)	889
Other	3,268	(8,129)
Tax expense	**56,535**	**43,602**

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

	Thousands of Euros	
	2024	**2023**
Deferred tax assets		
recoverable in over 12 months	329,767	364,486
recoverable in under 12 months	15,763	4,979
	345,530	**369,465**
Deferred tax liabilities		
recoverable in over 12 months	27,021	23,934
recoverable in under 12 months		42,345
	27,021	**66,279**

The reduction of the liability to less than 12 months was due to the closure of the project in Peru.

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

	Thousands of Euros	
	Assets	Liabilities
Balance at 01 January 2023	**409,407**	**62,001**
Generated and reversed with impact on the income statement	(36,036)	(58)
Generated and reversed with impact on equity	(3,906)	4,346
Balance at 31 December 2023	**369,465**	**66,289**
Generated and reversed with impact on the income statement	(29,060)	(3,374)
Generated and reversed with impact on equity	5,125	(4,346)
Deferred taxes reversed without impact on the income statement	-	(31,548)
Balance at 31 December 2024	**345,530**	**27,021**

The prepaid or deferred taxes arise from the following items:

	Thousands of Euros	
Assets	**2024**	**2023**
Tax credits from tax loss carryforwards	89,008	87,948
Tax credit for a limit of 50% of the losses offset in tax consolidation	57,673	49,791
Losses incurred in subsidiaries and permanent establishments	118,200	153,545
Valuation uniformity adjustments to projects	29,960	31,580
Hedging reserve	6,069	944
Impact of IFRS 15 and IFRS 9	(2,266)	1,433
Other	46,886	44,224
	345,530	**369,465**

	Thousands of Euros	
Liabilities	**2024**	**2023**
Timing differences in countries	28,072	61,237
Valuation uniformity adjustments to projects and others	(1,051)	706
Hedging reserve	-	4,346
	27,021	**66,289**

Liabilities arising from temporary differences mainly relate to Poland (EUR 7,494 thousand), Kuwait (EUR 7,628 thousand) and Abu Dhabi (EUR 5,217 thousand). The deferred tax liability for Kuwait includes, among other items, the amount estimated to arise from the process with the local tax authorities over the course of the current audit.

<u>Losses incurred in subsidiaries and permanent establishments</u>

The detail of this heading at 31 December 2024 is as follows:

	Thousands of Euros	
	2024	**2023**
Losses incurred in subsidiaries	91,107	113,368
Losses incurred in permanent establishments	27,093	40,177
	118,200	**153,545**

The detail of the main 'Losses incurred in subsidiaries' is as follows:

	Thousands of Euros	
	2024	**2023**
Bolivia	-	28,600
Turkey	22,110	22,110
UK	23,244	21,908
Portugal	-	8,525
Oman	24,535	18,181
Other	21,218	14,044
	91,107	**113,368**

In 2024, the subsidiaries in Portugal and Bolivia were liquidated and, therefore, the losses incurred by these companies were reversed with the corresponding deferred taxes.

The detail of the main 'Losses incurred in permanent establishments' is as follows:

	Thousands of Euros	
	2024	**2023**
Algeria	14,838	14,357
Australia	-	4,843
Finland	9,765	9,753
France	-	8,136
Other	2,490	3,088
	27,093	**40,177**

In 2024, the permanent establishments in France and Australia were liquidated and, therefore, the losses incurred by these companies were reversed with the corresponding deferred taxes.

Deferred tax assets are recognised to the extent that related taxable profit is likely to be generated through future taxable profits.

The assets from temporary difference were generated mainly between 2015 and 2021.

A breakdown by geographical area of the tax credits from tax loss carryforwards capitalised at 31 December 2024 and 2023 and of the prepaid taxes arising from losses incurred in subsidiaries and permanent establishments is presented below:

	Thousands of Euros	
	2024	**2023**
Tax credits from tax loss carryforwards		
Spain	64,219	69,554
Chile	1,445	5,865
Saudi Arabia	11,543	11,126
USA	3,203	-
Mexico	4,800	-
Other	3,798	1,403
	89,008	87,948
Tax credit for a limit of 50% of the losses offset in tax consolidation		
Spain	57,673	49,791
Prepaid taxes arising from losses incurred in subsidiaries and permanent establishments		
Spain	118,200	153,545
Total	**264,881**	**291,284**

In Spain, Chile, Saudi Arabia and US there is no time limit to apply prepaid taxes and deduct tax losses under the current law.

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 cumulative 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, 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 an increasing EBIT of over 4%), and the positive impact of the energy transition business 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.

As envisaged in the plan prepared in 2023, the assumptions of which are consistent with those of the 2024 plan, the Group reduced its deferred tax assets by EUR 24 million in 2024.

The details of tax loss carryforwards from subsidiaries 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
Saudi Arabia	539,390	107,878	539,390	107,878
	706,385	**150,626**	**706,385**	**150,626**

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.

The Parent’s management and its tax advisers have concluded that it is not likely that the amounts of the tax assessments appealed before the National Appellate Court will have to be paid and, therefore, no provision has been recognised in this regard.

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	2016-2024
Value-added tax	2016-2024
Personal income tax	2016-2024
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 Parent's Directors consider that, should they arise, these liabilities would not have a material effect on the consolidated financial statements.

Advance Price Agreement

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 Group 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 consolidated 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.

27. Profit/(loss) per share

a) Basic

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares acquired by the Parent.

b) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to reflect the conversion of all the potential dilutive ordinary shares. Given that the Parent does not hold any class of potential dilutive ordinary shares, the diluted earnings per share matches the basic earnings per share.

	Thousands of Euros	
	2024	**2023**
Profit/(Loss) for the year attributable to ordinary equity holders of the Company	89,942	60,952
Weighted average number of ordinary shares outstanding	78,110,013	69,641,400
Earnings/(Loss) per share of the profit attributable to ordinary equity holders of the Company (Euros per share)	1.15	0.88

28. Contingencies and securities provided

The Group 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 21. In the normal course of business, and as is common practice among companies engaging in engineering and construction activities, the Group 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 (NFD/EBITDA ratio less than or equal to 2.5 and equity attributable to shareholders/adjusted balance sheet ratio greater than 9), which were fulfilled at 31 December 2024. At the date of authorisation for issue of these consolidated financial statements, the covenant had been fulfilled and it is expected to be fulfilled in 2025.

As mentioned in Note 7, 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 Group is party to certain judicial and arbitration disputes, framed in the closure process of the projects, with clients 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.

Bemco (Saudi Arabia)

In September 2021, BEMCO, a subcontractor on a project located in Saudi Arabia, initiated arbitration proceedings against Técnicas Reunidas Saudia for Services and Contracting Company Limited ("TR Saudia"), a subsidiary of the TR Group, claiming additional costs of USD 118 million for alleged breaches of the subcontract. TR Saudia denied these breaches and requested that BEMCO's claims be rejected, in turn filing counterclaims for approximately USD 35 million.

On 13 August 2024, an award in favour of TR Saudia's interests was handed down by the ICC, in which the arbitral tribunal dismissed in full all of BEMCO's claims, and accepted the counterclaims filed by TR Saudia for USD 24 million. TR Saudia is in the process of enforcing and monetising the award.

PCMC (Saudi Arabia)

In October 2023, PCMC, a subcontractor on a project located in Saudi Arabia, initiated arbitration proceedings against Técnicas Reunidas Saudia for Services and Contracting Company Limited (‘TR Saudia’), a subsidiary of the group, claiming additional costs of USD 132 million for alleged breaches of the subcontract. TR Saudia rejects these accusations and will request in the proceedings that PCMC be ordered to pay TR Saudia for the costs incurred as a result of this non-compliance by PCMC, and the penalties for delay. The arbitration is ongoing to date.

In addition to these disputes, there are a number of minor lawsuits mainly with subcontractors corresponding to the projects in Malaysia, Poland, Singapore, Finland, Saudi Arabia and Bahrain, where, according to internal and independent third-party expert reports, 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 Group 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.

29. Commitments

Fixed asset purchase commitments

There are no significant investment commitments in relation to asset purchases at 31 December 2024.

Suppliers and subcontractor purchase commitments

The Group has payment commitments vis-à-vis its suppliers, in addition to those recognised in the trade payables heading, 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 Group’s customers are issued in accordance with contractual milestones of a similar nature to those that the Group maintains with its suppliers.

Information on the average period of payment to suppliers. Additional provision three. 'Reporting obligations' under Spanish Law 15/2010, of 5 July. (Under the new wording given by final provision two of Spanish Law 31/2014 reforming the Spanish Corporate Enterprises Act [*Ley de Sociedades de Capital*]).

As established by the reference law, as well as the resolution of the Spanish Accounting and Account Auditing Institute of 29 January 2016, the following information is broken down in reference to the average period of payment to suppliers:

	Thousands of Euros	
	2024	**2023**
Average period of payment to suppliers	92	97
Ratio of transactions paid	89	73
Ratio of transactions payable	102	132

	Thousands of Euros	
	2024	**2023**
Total payments made	3,629,569	3,926,352
Total payments pending	1,135,071	1,495,621

These figures relate to projects in multiple regions. With respect to Spanish suppliers, the Group may exceed the deadlines established (in the case of invoices that do not comply with the terms of the contract because they are not officially compliant, due to failure to receive guarantees or non-compliance with other supplier obligations).

The data was calculated in accordance with the Spanish Accounting and Account Auditing Institute resolution of 29 January 2016. For the purposes of this note, trade payables include the items related to payable to suppliers and sundry accounts payable for goods and services included in the scope of the regulation on legal payment periods. For the calculation of the information contained in this note, the transactions executed with the Group's suppliers has been considered after eliminating the reciprocal credits and debits of the subsidiaries and, as applicable, those of the multi-group companies pursuant to the applicable consolidation rules.

The calculation was made taking into account the date of registration of the invoice in the system (ERP). 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	1,537,943	1,913,814
Percentage out of total number of supplier invoices	42%	49%

30. Related party transactions

Related party transactions in 2024 and 2023 form part of the Company's ordinary business activities. The transactions performed with related parties are as follows:

a) Remuneration paid to senior management

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 (2023: 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).

b) Transactions with associates

Details of the balances and transactions with the associates included in Appendix II is presented below:

	Thousands of Euros	
	2024	**2023**
Loans	117	8,440
Payables to suppliers	185	185
Interest	-	141

All the transactions indicated were carried out with Master, S.A. Ingeniería y Arquitectura.

31. Environmental disclosures

In view of the business activities carried on by the Group companies, the Group does not have any environmental assets, provisions or contingencies that might be material with respect to its equity, financial position or results (see Note 3.4).

32. Joint ventures

The Group has interests in the joint ventures listed in Appendix III and in joint ventures with third parties listed in Appendix IV. The amounts shown below represent the Group's share, in accordance with the corresponding percentage, in the assets and liabilities and the income and profit/(loss) of the joint ventures and UTEs with third parties.

	Thousands of Euros	
	2024	**2023**
Non-current assets	11,401	8,826
Current assets	1,653,179	1,034,033
Total assets	**1,664,580**	**1,042,859**
Non-current liabilities	9,093	9,004
Current liabilities	1,503,321	882,012
Total liabilities	**1,512,414**	**891,016**
Net assets	**152,166**	**151,843**
Revenue	1,825,534	1,394,290
Expenses	(1,671,839)	(1,229,336)
Profit after tax	**153,695**	**164,954**

33. Other information

a) Average number of employees of the Group by category

The average number of people employed over the year by the companies included by global integration in the scope of consolidation, distributed by categories, is as follows:

	2024	**2023**
Executive directors and senior executives	10	10
Graduates, line personnel and clerical staff	9,314	7,552
Non-graduates/Unqualified staff	130	124
Sales staff	60	57
	9,514	**7,743**

The average number of people employed over the year by the joint ventures included by proportional integration in the scope of consolidation, distributed by categories, is as follows:

	2024	2023
Graduates, line personnel and clerical staff	764	64
Non-graduates/Unqualified staff	1	-
	765	**64**

Moreover, the gender balance of the staff of companies included by global integration in the scope of consolidation at the year-end 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	7,790	2,455	10,245	6,260	2,038	8,298
Non-graduates/Unqualified staff	127	4	131	119	6	125
Sales staff	39	26	65	36	21	57
	7,965	**2,486**	**10,451**	**6,424**	**2,066**	**8,490**

In addition, there were a total of 897 subcontracted personnel and freelance professionals (2023: 619 professionals).

The average number of people employed in 2024 and 2023 by the companies included in the scope of consolidation with a disability greater than or equal to 33% was 30 employees in both years, in the "Graduates, line personnel and clerical staff" category.

b) Fees paid to auditors

The fees for services contracted in 2024 and 2023 by companies of the Técnicas Reunidas Group with their respective auditors are as follows:

	Thousands of Euros		
	2024		
	Deloitte, S.L.	**Other companies of the Deloitte network**	**Other auditors**
Financial audit services	**914**	**297**	**477**
Other non-audit services	**70**	**143**	**895**
Services required by the applicable regulations	44	-	-
Other attest services	26	30	504
Tax services	-	113	291
	984	**440**	**1,372**

	Thousands of Euros			
	2023			
	PWC*	Deloitte, S.L.	Other companies of the PwC network*	Other companies of the Deloitte network
Financial audit services	**-**	872	370	317
Other non-audit services	**460**	**263**	**275**	**97**
Services required by the applicable regulations		51	-	-
Other attest services	460	212	-	20
Tax services		-	275	77
	460	**1,135**	**645**	**337**

*PricewaterhouseCoopers Auditores, S.L. (PwC)

Information required by section 229 of the Corporate Enterprises Act

The Parent'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.

c) Remuneration paid to members of the Parent's Board of Directors

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	-	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.

34. Events after the balance sheet date

As indicated in Note 26, 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 consolidated financial statements, no significant subsequent events have taken place that require disclosure in addition to that indicated in the previous paragraph.

APPENDIX I

Subsidiaries included in the scope of consolidation – 2024

Corporate Name	Registered Address	% Share of Nominal Amount	Shareholder Company	Integration method	Business activity	Auditor
Técnicas Reunidas Gulf Ltd. – Saudi Arabia	P.O. BOX 39561, Dahrahn 31942 (Saudi Arabia)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	PwC
TR Saudi Arabia LLC	P.O. Box 40.538, Jeddah 21511, (Saudi Arabia)	100%	Técnicas Reunidas, S.A. / Técnicas Reunidas Proyectos Internacionales, S.A.	I.G.	Engineering Services	PwC
Técnicas Reunidas Saudia for Services and Contracting Company Limited	P.O. Box 77076, 31952 Al Khobar, (Saudi Arabia)	100%	Técnicas Reunidas, S.A. / Técnicas Reunidas Proyectos Internacionales, S.A.	I.G.	Engineering Services	PwC
Técnicas Reunidas Global for Engineering Consultants co. ltd	P.O. Box 30909, Al Khobar 31952, Saudi Arabia	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	PwC
TR Argentina	Lavalle 310, Piso 1, 1047, Ciudad Autónoma de Buenos Aires (Argentina)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Estudio Javier Bengoechea
TR Bahrain W.L.L	Sanabis, block 410, road 1010, building 474, flat 211	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	PwC
Técnicas Reunidas Canadá E&C INC.	Suite 500, 5004 Avenue SW Calgary, AB - T2P 2V6, (Canadá)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Unaudited
TR Alberta	Suite 500, 500 – 4th Avenue SW, T2P2V6, Calgary, Alberta (Canada)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Unaudited
TR Redwater, Inc.	Suite 500, 500 – 4th Avenue SW, T2P2V6, Calgary, Alberta (Canada)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.U.	I.G.	Engineering Services	Unaudited

Técnicas Reunidas Chile Ltda.	Badajoz Nº 45, Oficina 1901, Edificio Fundadores, Las Condes, Santiago de Chile (Chile)	100%	Initec Plantas Industriales, S.A.U. / Técnicas Reunidas Metalúrgicas, S.A., Agencia en Chile	I.G.	Engineering Services	Deloitte
TR Metalúrgicas, S.A. Agencia en Chile	Avda. Andrés Bello 2711, Piso 9, Las Condes, Santiago de Chile (Chile)	100%	Técnicas Reunidas Metalúrgicas, S.A.U.	I.G.	Engineering Services	Deloitte
TR Colombia	AK 9 # 127 C 60 OF 311 Municipio: Bogotá D.C	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	PwC
Técnicas Reunidas USA L.L.C.	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, (USA)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
TR Louisiana L.L.C.	8550 United Plaza Ste. 305, Bldg. II, Baton Rouge, Louisiana 70809 (US)	100%	Técnicas Reunidas USA L.L.C.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas Houston L.L.C.	3050 Post Oak Boulevard, Suite 1625, Houston, Texas 77056 (US)	100%	Técnicas Reunidas USA L.L.C.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas Internacional, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
Termotécnica, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	99.98%	Técnicas Reunidas, S.A. y Técnicas Reunidas Construcción y Montaje, S.A.	I.G.	Engineering Service and Machinery Wholesaler	Unaudited
Técnicas Reunidas Construcción y Montaje, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Property Development	Unaudited
Técnicas Reunidas Ecología, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Service	Unaudited
Técnicas Reunidas Metalúrgicas, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Service	Unaudited

Técnicas Siderúrgicas, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas Construcción y Montaje, S.A.	I.G.	Engineering Service	Unaudited
Técnicas Reunidas Proyectos Internacionales, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Service	Unaudited
Española de Investigación y Desarrollo, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Service	Unaudited
Layar, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Property Activity	Unaudited
Layar Real Reserva, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Layar, S.A.	I.G.	Property Activity	Unaudited
Initec Plantas Industriales, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Deloitte
Initec Infraestructuras, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
ReciclAguilar, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	80%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
Heymo Ingeniería, S. A.	Avenida de Burgos 89, Edificio 3, plnta 6ª, núcleo A, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S. A.	I.G.	Engineering Services	Deloitte
Deportes Valdavia	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited

Valdavia Padel S.L.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Deportes Valdavia,S.L.	I.G.	Engineering Services	Unaudited
Valdavia Gim S.L.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Deportes Valdavia,S.L.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas Netherlands B.V.	Strevelsweg 700, Unit 303-A4404, 3083AS Rotterdam	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas Ghana	4 Momotse avenue, Adabraka-Accra Mteropolitan, Greatrer Accra, PO BOX NT 1632, A., (Ghana)	100%	Técnicas Reunidas Netherlands B.V.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas engineers India private limited (TREI)	103 Ashoka Estate, Barakhamba Road, New Delhi – 110 001 (India)	100%	Técnicas Reunidas, S.A.	I.G.	Consultancy and assistance in international engineering projects	Guru Jana & Associates
TR Sagemis International, S.L.	Via Bartolomeo Zucchi 1, 20900 Monza MB, (Italy)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas Italy New Refinery Project SRL	Via Bartolomeo Zucchi 1, 20900 Monza MB, (Italy)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas Malaysia SDN.	Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, 40100, Kuala Lumpur, (Malaysia)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Deloitte
TR Servicios S.R.L. de C.V.	Avenida Homero 229, Polanco V sección, Miguel Hidalgo, Distrito Federal, 11560, (Mexico)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas México Ingeniería y Construcción de RL de CV	Polanco Chapultepec, Miguel HidalgoCP 11560, Ciudad de México, (Mexico)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Unaudited
TR Engineering LLC – Oman	Safe way Building, 2nd floor, Building nº68, Way nº 3305, Dohat-Al Abad, Street, Alkhuwair, Muscat, Sultanate of Oman	49%	Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Morrison

Técnicas Reunidas Omán LLC	Safe Way Building, Building nº 68, Way nº 3305, Dohah-Al Abad Street, Alkhuwair, Muscat, Sultanate of Oman	70%	Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Morrison
Técnicas Reunidas LLC (Duqm)	The Special Economic Zone at Duqm / Al-Duqm / Al Wusta Governorate / P.O. Box: 2991 / Postal Code 112	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	PwC
TR Perú Ingeniería y Construcción S.A.C.	Av. Jorge Chavez 184, Oficina 402, distrito de Miraflores, provincia y departamento de Lima, (Peru)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas de Talara, S.A.C.	Av. Jorge Chavez 184, Oficina 402, distrito de Miraflores, provincia y departamento de Lima, (Peru)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	PwC
Técnicas Reunidas UK	Suite 1, 3rd Floor, 11-12 St. James’s Square, London, SW1Y 4LB, (UK)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Clive Owen
Tecreun República Dominicana, S.R.L.	Avda. de los Próceres, Diamond Mall, 1º piso, local 25A, Santo Domingo, (Dominican Republic)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Gran Thormton
Técnicas Reunidas INSAAT TAAHHÜT Limited Sirketi	Maslak Mahallesi Ahi Evran Caddesi Polaris Plaza No:21 Kat 23 34398 SAriyer/Istambul (Turkey)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G	Engineering Services	PwC
Técnicas Reunidas Mühendislik ve İnsaat A.S	Maslak Mahallesi Ahi Evran Caddesi Polaris Plaza No:21 Kat 23 34398 SAriyer/Istambul (Turkey)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited

TR Projeler	Maslak Mahallesi Ahi Evran Caddesi Polaris Plaza No:21 Kat 23 34398 SAriyer/Istambul	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Unaudited

APPENDIX I

Subsidiaries included in the scope of consolidation – 2023

Corporate Name	Registered Address	% Share of Nominal Amount	Shareholder Company	Integration method	Business activity	Auditor
Técnicas Reunidas Gulf Ltd. – Saudi Arabia	P.O. BOX 39561, Dahrahn 31942 (Saudi Arabia)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	PwC
TR Saudi Arabia LLC	P.O. Box 40.538, Jeddah 21511, (Saudi Arabia)	100%	Técnicas Reunidas, S.A. / Técnicas Reunidas Proyectos Internacionales, S.A.	I.G.	Engineering Services	PwC
Técnicas Reunidas Saudia for Services and Contracting Company Limited	P.O. Box 77076, 31952 Al Khobar, (Saudi Arabia)	100%	Técnicas Reunidas, S.A. / Técnicas Reunidas Proyectos Internacionales, S.A.	I.G.	Engineering Services	PwC
Técnicas Reunidas Global for Engineering Consultants co. ltd	P.O. Box 30909, Al Khobar 31952, Saudi Arabia	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	PwC
TR Argentina	Lavalle 310, Piso 1, 1047, Ciudad Autónoma de Buenos Aires (Argentina)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Estudio Javier Bengoechea
TR Bahrain W.L.L	Sanabis, block 410, road 1010, building 474, flat 211	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	PwC
Técnicas Reunidas TEC – Bolivia	Edificio el Cubo II, 2º Piso, Avenida las Ramblas, Zona Empresarial Equipetrol Norte, Santa Cruz (Bolivia)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G	Engineering Services	Crowe
Técnicas Reunidas Canadá E&C INC.	Suite 500, 5004 Avenue SW Calgary, AB - T2P 2V6, (Canadá)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Unaudited
TR Alberta	Suite 500, 500 – 4th Avenue SW, T2P2V6, Calgary, Alberta (Canada)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Unaudited

TR Redwater, Inc.	Suite 500, 500 – 4th Avenue SW, T2P2V6, Calgary, Alberta (Canada)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.U.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas Chile Ltda.	Badajoz Nº 45, Oficina 1901, Edificio Fundadores, Las Condes, Santiago de Chile (Chile)	100%	Initec Plantas Industriales, S.A.U. / Técnicas Reunidas Metalúrgicas, S.A., Agencia en Chile	I.G.	Engineering Services	Deloitte
TR Metalúrgicas, S.A. Agencia en Chile	Avda. Andrés Bello 2711, Piso 9, Las Condes, Santiago de Chile (Chile)	100%	Técnicas Reunidas Metalúrgicas, S.A.U.	I.G.	Engineering Services	Deloitte
TR Colombia	AK 9 # 127 C 60 OF 311 Municipio: Bogotá D.C	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	PwC
Técnicas Reunidas USA L.L.C.	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, (USA)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
TR Louisiana L.L.C.	8550 United Plaza Ste. 305, Bldg. II, Baton Rouge, Louisiana 70809 (US)	100%	Técnicas Reunidas USA L.L.C.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas Houston L.L.C.	3050 Post Oak Boulevard, Suite 1625, Houston, Texas 77056 (US)	100%	Técnicas Reunidas USA L.L.C.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas Internacional, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
Termotécnica, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	99.98%	Técnicas Reunidas, S.A. y Técnicas Reunidas Construcción y Montaje, S.A.	I.G.	Engineering Service and Machinery Wholesaler	Unaudited
Técnicas Reunidas Construcción y Montaje, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Property Development	Unaudited
Técnicas Reunidas Ecología, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Service	Unaudited

Técnicas Reunidas Metalúrgicas, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Service	Unaudited
Técnicas Siderúrgicas, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas Construcción y Montaje, S.A.	I.G.	Engineering Service	Unaudited
Técnicas Reunidas Proyectos Internacionales, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Service	Unaudited
Española de Investigación y Desarrollo, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Service	Unaudited
Layar, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Property Activity	Unaudited
Layar Real Reserva, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Layar, S.A.	I.G.	Property Activity	Unaudited
Initec Plantas Industriales, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Deloitte
Initec Infraestructuras, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
ReciclAguilar, S.A.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	80%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
Heymo Ingeniería, S. A.	Avenida de Burgos 89, Edificio 3, plnta 6ª, núcleo A, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S. A.	I.G.	Engineering Services	Deloitte

Deportes Valdavia	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
Valdavia Padel S.L.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Deportes Valdavia,S.L.	I.G.	Engineering Services	Unaudited
Valdavia Gim S.L.	Avenida de Burgos 89, Edificio 6, Parque empresarial Adequa, 28050-Madrid (Spain)	100%	Deportes Valdavia,S.L.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas Netherlands B.V.	Strevelsweg 700, Unit 303-A4404, 3083AS Rotterdam	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas Ghana	4 Momotse avenue, Adabraka-Accra Mteropolitan, Greatrer Accra, PO BOX NT 1632, A., (Ghana)	100%	Técnicas Reunidas Netherlands B.V.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas engineers India private limited (TREI)	103 Ashoka Estate, Barakhamba Road, New Delhi – 110 001 (India)	100%	Técnicas Reunidas, S.A.	I.G.	Consultancy and assistance in international engineering projects	LUTHRA-LUTHRA
TR Sagemis International, S.L.	Via Bartolomeo Zucchi 1, 20900 Monza MB, (Italy)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas Italy New Refinery Project SRL	Via Bartolomeo Zucchi 1, 20900 Monza MB, (Italy)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas Malaysia SDN.	Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, 40100, Kuala Lumpur, (Malaysia)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Deloitte
TR Servicios S.R.L. de C.V.	Avenida Homero 229, Polanco V sección, Miguel Hidalgo, Distrito Federal, 11560, (Mexico)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas México Ingeniería y Construcción de RL de CV	Polanco Chapultepec, Miguel HidalgoCP 11560, Ciudad de México, (Mexico)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Unaudited

TR Engineering LLC – Oman	Safe way Building, 2nd floor, Building nº68, Way nº 3305, Dohat-Al Abad, Street, Alkhuwair, Muscat, Sultanate of Oman	49%	Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Morrison
Técnicas Reunidas Omán LLC	Safe Way Building, Building nº 68, Way nº 3305, Dohah-Al Abad Street, Alkhuwair, Muscat, Sultanate of Oman	70%	Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Morrison
Técnicas Reunidas LLC (Duqm)	The Special Economic Zone at Duqm / Al-Duqm / Al Wusta Governorate / P.O. Box: 2991 / Postal Code 112	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	PwC
TR Perú Ingeniería y Construcción S.A.C.	Av. Jorge Chavez 184, Oficina 402, distrito de Miraflores, provincia y departamento de Lima, (Peru)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas de Talara, S.A.C.	Av. Jorge Chavez 184, Oficina 402, distrito de Miraflores, provincia y departamento de Lima, (Peru)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	PwC
Técnicas Reunidas de Construcao Unip. LDA - Portugal	Rua Latino Coelho, n.º 87, Distrito: Lisboa, Concelho: Lisboa, Freguesia: Avenidas Novas, 1050, 132 Lisboa (Portugal)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	PwC
Técnicas Reunidas UK	Suite 1, 3rd Floor, 11-12 St. James's Square, London, SW1Y 4LB, (UK)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
Tecreun República Dominicana, S.R.L.	Avda. de los Próceres, Diamond Mall, 1º piso, local 25A, Santo Domingo, (Dominican Republic)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	Unaudited
Técnicas Reunidas INSAAT TAAHHÜT Limited Sirketi	Maslak Mahallesi Ahi Evran Caddesi Polaris Plaza No:21 Kat 23 34398 SAriyer/Istambul (Turkey)	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G	Engineering Services	PwC

Técnicas Reunidas Mühendislik ve İnsaat A.S	Maslak Mahallesi Ahi Evran Caddesi Polaris Plaza No:21 Kat 23 34398 SAriyer/Istambul (Turkey)	100%	Técnicas Reunidas, S.A.	I.G.	Engineering Services	Unaudited
TR Projeler	Maslak Mahallesi Ahi Evran Caddesi Polaris Plaza No:21 Kat 23 34398 SAriyer/Istambul	100%	Técnicas Reunidas, S.A. / Initec Plantas Industriales, S.A.	I.G.	Engineering Services	PwC

APPENDIX II
Associates included in the scope of consolidation – 2024

Corporate Name	Registered Address	% Share of Nominal Amount	Shareholder Company	Integration method	Business activity	Auditor
Proyectos Ebramex, S. de R.L. de C.V.	Ciudad de Tampico, Tamaulipas, Mexico	33.33%	Técnicas Reunidas, S.A.	P. Eq.	Engineering Services	Unaudited
Minatrico, S. de R.L. de C.V.	Ciudad de Tampico, Tamaulipas, Mexico	33.33%	Técnicas Reunidas, S.A.	P. Eq.	Engineering Services	Unaudited
Máster S.A. de ingeniería y Arquitectura	Ronda General Mitre 126, 4ª planta, 08021-Barcelona (Spain)	40.00%	Técnicas Reunidas, S.A.	P. Eq.	Engineering Services	Unaudited

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Associates included in the scope of consolidation – 2023

Corporate Name	Registered Address	% Share of Nominal Amount	Shareholder Company	Integration method	Business activity	Auditor
Proyectos Ebramex, S. de R.L. de C.V.	Ciudad de Tampico, Tamaulipas, Mexico	33.33%	Técnicas Reunidas, S.A.	P. Eq.	Engineering Services	Unaudited
Minatrico, S. de R.L. de C.V.	Ciudad de Tampico, Tamaulipas, Mexico	33.33%	Técnicas Reunidas, S.A.	P. Eq.	Engineering Services	Unaudited
Máster S.A. de ingeniería y Arquitectura	Ronda General Mitre 126, 4ª planta, 08021-Barcelona (Spain)	40.00%	Técnicas Reunidas, S.A.	P. Eq.	Engineering Services	Unaudited

APPENDIX III
Joint operations included in the scope of consolidation – 2024

Corporate Name	Registered Address	% Share of Nominal Amount	Shareholder Company	Integration method	Business activity	Auditor
TSGI Mühendislik İnşaat Limited Şirketi	Turkey	33.33%	Técnicas Reunidas, S. A.	Proportional	Engineering Services	PwC
TR Daewoo LLC	Oman	65.00%	Técnicas Reunidas, S.A.	Proportional	Engineering Services	PwC
TR Bapco	Bahrain	32.00%	TR Saudia S.C LTD	Proportional	Engineering Services	PwC
Powertecno Energía México	Mexico	50%	Técnicas Reunidas, S. A.	Proportional	Engineering Services	Deloitte

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Joint operations included in the scope of consolidation – 2023

Corporate Name	Registered Address	% Share of Nominal Amount	Shareholder Company	Integration method	Business activity	Auditor
TSGI Mühendislik İnşaat Limited Şirketi	Turkey	33.33%	Técnicas Reunidas, S. A.	Proportional	Engineering Services	PwC
TR Daewoo LLC	Oman	65.00%	Técnicas Reunidas, S.A.	Proportional	Engineering Services	PwC
TR Bapco	Bahrain	32.00%	TR Saudia S.C LTD	Proportional	Engineering Services	PwC
Powertecno Energía México	Mexico	50%	Técnicas Reunidas, S. A.	Proportional	Engineering Services	Deloitte

APPENDIX IV

Unincorporated temporary joint ventures, consortiums and permanent establishments in which the companies included in the scope of consolidation have shares – 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	100%
UJV RIYAS	Engineering services and project execution	65%	UTE DECARB BREMEN	Engineering services and project execution	50%
UJV JAFURAH	Engineering services and project execution	60%	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	100%
TReunidas Branch Argelia	Engineering services and project execution	100%	UTE MARJAN	Engineering services and project execution	100%
Tecnicas Reunidas Germany	Engineering services and project execution	100%	UTE TR NEC	Engineering services and project execution	100%
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	100%
UTE TR/GUEROLA C.TERMOSOL	Engineering services and project execution	50%	UTE DECARB DUNKERQUE	Engineering services and project execution	50%
EP BANGLADESH	Engineering services and project execution	100%	TRD DUQM PROJECT	Engineering services and project execution	65%
EP JORDANIA	Engineering services and project execution	100%	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	100%
UTE INTEGRATED PROJECT	Engineering services and project execution	100%	UTE PEIRAO XXI	Engineering services and project execution	50%
UTE TR JRTP JAZAN	Engineering services and project execution	100%	UTE TR/GEA 21 COL.PLUVIA	Engineering services and project execution	80%
UTE TR TALARA	Engineering services and project execution	100%	UTE SILLENO	Engineering services and project execution	50%
UTE TR OPTARA	Engineering services and project execution	100%	UTE TSK TR ASHUGANJ NORTH	Engineering services and project execution	50%
UTE TR_HQC PHOENIX CHAWAN	Engineering services and project execution	51%	TR QATAR BRANCH	Engineering services and project execution	100%
UTE TR MINATITLAN	Engineering services and project execution	100%	UTE GÉNESIS	Engineering services and project execution	85%

TECREUN MOROCCO BRANCH	Engineering services and project execution	100%	TR Ledcor	Engineering services and project execution	50%
UTE TR/IPI Refi. de Sines	Engineering services and project execution	100%	UTE TR PHB JORDAN	Engineering services and project execution	50%
JV TR WISON	Engineering services and project execution	70%	UTE TR JAFURAH	Engineering services and project execution	65%
JV NPCC Técnicas AD	Engineering services and project execution	50%	SAMSUNG-TR JOINT VENTURE	Engineering services and project execution	100%
UTE TR INTEGRATED GAS	Engineering services and project execution	100%	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	100%	TR Belgium Branch	Engineering services and project execution	100%
TR Maharashtra	Engineering services and project execution	100%	UTE TR Naphtha RT	Engineering services and project execution	100%
UTE TR-SEI JAFURAH III	Engineering services and project execution	60%	UTE FAHDILI	Engineering services and project execution	100%
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	100%
UTE HASSI MESSAOUD PRJ.	Engineering services and project execution	51%	UTE TR MERCURY	Engineering services and project execution	100%
UTE TR JURONG	Engineering services and project execution	100%	UTE MOSCOW REFINERY	Engineering services and project execution	100%
UTE DECARB EISSEN	Engineering services and project execution	50%	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%
UTE VACA MUERTA	Engineering services and project execution	100%	JV KUWAIT CONSORTIUM	Engineering services and project execution	50%
HYUNDAI TR SPOLKA	Engineering services and project execution	45%	TR Indonesia	Engineering services and project execution	100%
BX TR SPOLKA CYWILNA	Engineering services and project execution	50%	JV DASAIT	Engineering services and project execution	50%
UTE TR BU HASA	Engineering services and project execution	100%	EP UTE Hassi Messaoud	Engineering services and project execution	100%
JV SOHAR	Engineering services and project execution	50%	UTE VEOLIA-HEYMO BREF CQP	Engineering services and project execution	61.93%
UTE TSGI	Engineering services and project execution	33.33%	UTE PRESAS CANTÁBRICO	Engineering services and project execution	25%
UTE TR TSK C.C. MÉRIDA	Engineering services and project execution	50%	UTE EPTISA-HEYMO	Engineering Services and Project Execution	50%
UTE HEYMO-INCLAM	Engineering services and project execution	50%	UTE PRESAS MIÑO	Engineering Services and Project Execution	25%

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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	100%
TR TURQUÍA BOTAS	Engineering services and project execution	100%	UTE RAMBLA	Engineering services and project execution	100%
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	100%
TReunidas Branch Argelia	Engineering services and project execution	100%	UTE MARJAN	Engineering services and project execution	100%
TR Indonesia	Engineering services and project execution	100%	UTE TR NEC	Engineering services and project execution	100%
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	100%
UTE TR YANBU REFINERY	Engineering services and project execution	100%	UTE TR/TREC OPER.DESALAD	Engineering services and project execution	100%
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	100%
UTE INTEGRATED PROJECT	Engineering services and project execution	100%	UTE PEIRAO XXI	Engineering services and project execution	50%
UTE TR JRTP JAZAN	Engineering services and project execution	100%	UTE TR/GEA 21 COL.PLUVIA	Engineering services and project execution	80%
UTE TR TALARA	Engineering services and project execution	100%	UTE PERELLÓ	Engineering services and project execution	50%
UTE TR OPTARA	Engineering services and project execution	100%	UTE TSK TR ASHUGANJ NORTH	Engineering services and project execution	50%
UTE TR/IN CONS.COMPL. VIÑA	Engineering services and project execution	100%	TR QATAR BRANCH	Engineering services and project execution	100%
UTE TR MINATITLAN	Engineering services and project execution	100%	UTE TR/ SGS PISTA 18R	Engineering services and project execution	50%

UTE TR/IPI Refi. de Sines	Engineering services and project execution	100%	UTE TR PHB JORDAN	Engineering services and project execution	50%
JV TR WISON	Engineering services and project execution	70%	UTE TR JAFURAH	Engineering services and project execution	100%
JV NPCC Técnicas AD	Engineering services and project execution	50%	SAMSUNG-TR JOINT VENTURE	Engineering services and project execution	100%
UTE TR INTEGRATED GAS	Engineering services and project execution	100%	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	100%	TR Belgium Branch	Engineering services and project execution	100%
TR Maharashtra	Engineering services and project execution	100%	UTE TR Naphtha RT	Engineering services and project execution	100%
UTE TR ETO	Engineering services and project execution	100%	UTE FAHDILI	Engineering services and project execution	100%
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	100%
UTE HASSI MESSAOUD PRJ.	Engineering services and project execution	55%	UTE TR MERCURY	Engineering services and project execution	100%
UTE TR JURONG	Engineering services and project execution	100%	UTE MOSCOW REFINERY	Engineering services and project execution	100%
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 TR BU HASA	Engineering services and project execution	100%			
JV SOHAR	Engineering services and project execution	50%	JV DARSAIT	Engineering services and project execution	50%
UTE TSGI	Engineering services and project execution	33.33%	EP UTE Hassi Messaoud	Engineering services and project execution	55%
UTE TR TSK C.C. MÉRIDA	Engineering services and project execution	50%	UTE VEOLIA-HEYMO BREF CQP	Engineering Services and Project Execution	61.93%
UTE PRESAS MIÑO	Engineering Services and Project Execution	25%	UTE EPTISA-HEYMO	Engineering Services and Project Execution	50%
UTE Valoriza	Engineering Services and Project Execution	50%	UTE HEYMO-INCLAM	Engineering Services and Project Execution	100%
UTE PRESAS CANTÁBRICO	Engineering Services and Project Execution	25%			

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 Técnicas 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).

<u>Critical Raw Materials</u>

- 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.

<u>Nuclear fusion</u>

- 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.

<u>Chemical Processes</u>

- 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.

	Thousands of Euros	
	2024	**2023**
Average period of payment to suppliers	92	97
Ratio of transactions paid	89.2	73
Ratio of transactions payable	102	132

	Thousands of Euros	
	2024	**2023**
Total payments made	3,629,569	3,926,352
Total payments pending	1,135,071	1,495,621

These figures relate to projects in multiple regions. With respect to Spanish suppliers, the Group may exceed the deadlines established (in the case of invoices that do not comply with the terms of the contract because they are not officially compliant, due to failure to receive guarantees or non-compliance with other supplier obligations).

The data was calculated in accordance with the Spanish Accounting and Account Auditing Institute resolution of 29 January 2016. For the purposes of this note, trade payables include the items related to payable to suppliers and sundry accounts payable for goods and services included in the scope of the regulation on legal payment periods. For the calculation of the information contained in this note, the transactions executed with the Group's suppliers has been considered after eliminating the reciprocal credits and debits of the subsidiaries and, as applicable, those of the multi-group companies pursuant to the applicable consolidation rules.

The calculation was made taking into account the date of registration of the invoice in the system (ERP). 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.

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	1,537,943	1,913,814
Percentage out of total number of supplier invoices	42%	49%

11. Significant events after the reporting period.

As indicated in Note 26, 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 consolidated financial statements, no significant subsequent events have taken place that require disclosure in addition to that indicated in the previous paragraph.
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12. Treasury shares

At 31 December 2024, treasury shares represented 2.73% of the Parent'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 10 of the appended notes to the consolidated financial statements.

14. Alternative Performance Measures

In addition to the financial information presented in this document and prepared under EU-IFRS, the Group includes certain alternative performance measures as defined in the guidelines issued by the European Securities and Markets Authority ('ESMA') on 5 October 2015 on alternative performance measures (the 'ESMA Guidelines' and the 'MARs'). The Group believes that the presentation of the MARs included in this document complies with the ESMA Guidelines and the ESMA 'Questions and Answers on the Guidelines on Alternative Performance Measures' issued on 17 April 2020 (the 'ESMA Questions and Answers').

Management uses these APMs when making financial, operating and planning decisions and to assess the Group's performance. Management presents the following APMs that it considers useful and appropriate for investor decision-making and that are most reliable about the Group's performance.

EBITDA

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

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

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

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

		Millions of Euros	
		Year ended 31 December	
		2024	2023
Revenue	Sales, other gains or losses and other operating income	4,451.4	4,146.3
Operating expenses	Procurement costs, staff costs, other operating expenses, depreciation and amortisation, and impairment	(4,269.8)	(3,989.7)
Profit from operations	**Income - Operating expenses**	**181.2**	**156.6**
Depreciation and amortisation charge and impairment	Depreciation, amortisation and impairment	32.9	25.9
EBITDA	**Profit from operations, excluding depreciation and amortisation**	**214.1**	**182.5**

Group management confirms that there has been no change in the definition, reconciliation or use of this indicator with regard to that used in the previous year.

EBIT

Earnings before interest and taxes (EBIT) is an indicator of the Group's operating result without taking into account financial and tax results. It is used as a supplement to EBITDA in comparison with other companies in the sector that have few assets. EBIT is equivalent to 'operating profit'.

The following table provides a reconciliation of our revenue to EBIT for the years indicated:

		Millions of Euros	
		Year ended 31 December	
		2024	2023
EBITDA	Profit from operations, excluding depreciation and amortisation	214.1	182.5
Depreciation and amortisation charge and impairment	Depreciation, amortisation and impairment	(32.9)	(25.9)
EBIT	**Profit from operations**	**181.2**	**156.6**

Group management confirms that there has been no change in the definition, reconciliation or use of this indicator with regard to that used in the previous year.

Net cash

Net cash is the alternative performance measure used by management to measure the Group's level of net liquidity for the purpose of complying with covenants related to financial debt. It is calculated as the difference between 'cash and cash equivalents' plus 'financial assets at fair value through profit or loss' minus 'borrowings' (excluding 'borrowings associated with rights of use of leased assets' and 'Participative loans'). Cash and cash equivalents include cash on hand, demand deposits in banks and other highly liquid short-term investments originally maturing within three months or less.

The following table provides a reconciliation of our cash and cash equivalents to net cash for the years indicated:

		Millions of Euros	
		2024	2023
Cash and cash equivalents	Cash on hand, demand deposits in banks and other short-term highly liquid investments maturing within three months or less.	1,018.4	1,033.7
Borrowings	Non-current and current bank borrowings	(624.5)	(685.9)
Net cash	**Cash and cash equivalents, plus financial assets at fair value, less borrowings, not including the Participative loan**	**393.9**	**347.8**

Group management also confirms that there has been no change in the definition, reconciliation or use of this indicator with regard to that used in the previous year.

Portfolio

The Group calculates its order backlog as the estimated amount of contracted revenue that the Group expects to translate into future revenue from existing contracts, adjusted for changes in contract scope and fluctuations in the exchange rate of currencies other than the Euro applicable to the projects. The calculation of the order backlog also includes the estimated amount of revenue from contracts that have been signed, but for which the scope of services and therefore the price has not yet been determined. In this case, the Group makes a downward adjustment to the estimated revenues and includes it as an element of order backlog.

The Group considers its order book to be a relevant indicator of the pace of development of its activities and monitors it so that it can plan its needs and adjust its expectations, budgets and forecasts. The volume and timing of work in the Group's order book are relevant for the purpose of anticipating the Group's operating and financing needs, and its ability to complete its order backlog depends on its ability to meet these operating and financing needs.

Based on the above, the order backlog amounts to EUR 12,479.5 million as at 31 December 2024 (EUR 9,354.86 million at 31 December 2023).

Average variable interest rate

The average variable interest rates applicable to the debt in Euros were as follows:

	2024	2023
Variable rates (spread)	2.29%	2.08%

Leverage ratio

The leverage ratio is calculated as the percentage of 'borrowings' (not including 'borrowings associated with rights of use of leased assets' and 'Participative loans') and equity attributable to shareholders.

The calculation is as follows:

		Millions of Euros	
		2024	2023
Borrowings	Non-current and current bank borrowings	624.5	685.9
Equity	Equity attributable to shareholders	389.1	313.7
Leverage ratio	**Borrowings/Equity**	**160.49%**	**218.67%**

Group management also confirms that there has been no change in the definition, reconciliation or use of this indicator with regard to that used in the previous year.

15. Statement of Non-Financial Information

15.1. Business model

15.1.1 Description of the business model

The Técnicas Reunidas Group (individually, 'TR', 'Técnicas Reunidas', or 'the Company') is dedicated to providing all types of value-added engineering services for industrial plants for the production of clean fuels, natural gas and chemical products, services that range from feasibility studies or basic and conceptual engineering, to the complete execution of large and complex turnkey projects, including engineering and design, management of procurement and delivery of equipment and materials, design of facilities and other related or linked services, such as technical assistance, construction supervision, site management, project management, commissioning and training, and offering technical solutions linked to the energy transition, the circular economy and decarbonisation (renewable hydrogen, biofuels, waste recovery, CO_2 capture, use and storage, etc.).

These technical solutions enable its clients to develop their sustainability policies and meet their emission reduction targets through the construction and modernisation of highly energy-efficient industrial plants, thereby complying with regulatory requirements and voluntary commitments in this area.

The Company's business model is based on three fundamental principles that demonstrate TR's commitment to the development of its activity:

- The quality of the services provided by the Group, which makes it one of the companies with the best reputation in the market and ensures a recurring flow of business from its regular clients.
- The flexibility manifested in its capacity to work under very different contractual structures, in diverse geographical environments and in plants of a very different nature. Along these lines, TR's capacity to penetrate new markets is excellent.
- It can constantly adapt to new environments, which in current times allows its rapid incorporation into technologies that require the transition to clean energy, and an immediate response to the change in the operating scenario driven by the digital transformation.

Another aspect of great importance in TR's business is the energy transition, an area in which the Company wants to play a central role in the sector. Therefore, with its energy transition division, TR is working to become increasingly involved in projects with a clear positive impact related to decarbonisation and to do so as quickly and fairly as possible, supporting its clients on their path towards decarbonisation. To this end, TR draws on its 60 years of experience as a company specialising in advanced engineering and its solid knowledge of a wide range of industrial processes, combined with its technological and innovative capacity.

In this context, Técnicas Reunidas is committed to directing all its present and future projects toward meeting the objectives of decarbonisation and energy transition, both in terms of its traditional business and the new areas in which it is present, through all types of work schemes

15.1.2 Organisation and structure

Appendices I and II of the consolidated financial statements contain the corporate structure of the Company.

15.1.3 Business lines

In its engineering and construction management services business, Técnicas Reunidas carries out its operations through different business lines. The clean fuel and petrochemical production business lines are included in its sustainable growth activity, while its natural gas, circular economy, hydrogen and carbon capture and storage business lines are included in its decarbonisation activity.

- **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 Group also has extensive experience in the design and construction of the most advanced technologies for clean refining production processes. TR 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.

- **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 Group 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.
- **Petrochemical**: this line 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.

- **Low-carbon technology**: this line includes the following activities.

    - **Hydrogen**: through this business line, the Group 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 incorporating into existing gas networks.

    - **Circular economy and bioproducts**: within this business line, the Group provides services to produce biomethane and convert biomass and waste into fuels (biodiesel and biokerosene), chemicals and power and steam generation.

    - **Carbon capture and storage**: the carbon capture and storage line allows the Company to provide similar services to the other lines for carbon capture in industrial processes in energy-intensive activities, such as the production of clean fuels, the chemical industry, the cement industry and the iron and steel industry. Técnicas Reunidas implements carbon capture systems in these processes. The captured carbon is subsequently taken to specialised infrastructures for final storage or converted into synthetic fuels. Significant activity is expected in this market, as other decarbonisation alternatives are not easy to implement in energy-intensive plants.

- **Other**: This line provides direction, management, engineering, procurement, construction and commissioning services for facilities related to activities outside the Group'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.

This commitment to diversification, segmentation and innovation allows the Company to have a highly varied portfolio of projects and different scopes in multiple geographical areas, such as those relating to conceptual studies, basic engineering, FEED (Front End Engineering Design), PMC (Project Management Consulting), EPC (Engineering, Procurement and Construction), OBE (Open Book Estimate) or LSTK (Lump Sum Turnkey).

15.1.4 Business environment and markets

Técnicas Reunidas operates in a constantly changing environment, marked by rising energy demand in emerging countries, continuous adaptation to new environmental standards and the evolving needs of refineries towards more complex and profitable configurations.

In turn, this work context is increasingly demanding in terms of sustainability criteria, including increasingly stricter environmental standards, the development of new technologies, and growing competition. TR takes on increasingly complex projects that are highly demanding in terms of technical specifications, digital tools to be used, deadlines, scope of work and performance conditions, all of which are entry barriers for potential competitors in our market.

The Company provides value-added engineering and construction services for the sustainable production of energy and chemical products. These services may include the complete cycle from the design phase to the execution of large and complex turnkey projects. As part of the added value, the Group offers technical solutions linked to the energy transition, the circular economy and decarbonisation (renewable hydrogen, biofuels, waste recovery, CO_2 capture and storage, etc.).

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 recent investment and a scenario of high prices) herald significant investment activity in the energy industry in the coming years, even against a backdrop of lower economic growth.

To supply a growing and environmentally sustainable demand for energy, investments must be made in establishing, upgrading and improving the efficiency of existing facilities, where TR is well positioned and has the credentials required by investors, the technical capacity and over sixty years of proven experience worldwide, particularly in those geographical areas where most of the investments are expected to take place. The Company has therefore increased its workforce in most of its subsidiaries in 2024 and plans to continue to grow substantially overall in 2025.

Likewise, TR is well positioned, thanks to its leadership in the face of climate change, the diversification of its activities, and its adaptation to new trends in the market as one of the most committed companies. This enables the Company to take advantage of the opportunities that will arise from increased regulatory pressure on environmental issues, as it has the technology and solutions to help its clients meet increasing environmental demands. This diversification of activities focuses on working with customers in terms of the environmental improvement of their facilities: production of clean fuels, natural gas and chemical products, low-carbon technology (hydrogen, CO_2 capture and storage, circular economy and bioproducts) and, therefore, the reduction of greenhouse gas emissions.

This macroeconomic environment in general and the energy industry in particular have given rise to numerous opportunities. The contracts awarded in 2024 amounted to approximately EUR 4,800 million, with projects diversified both in terms of segments and geographical areas. In addition, in many of these projects Técnicas Reunidas has significantly reduced the risk associated with construction.

It is worth highlighting the market's reactivation and consolidation of the contracts awarded to Técnicas Reunidas in the field of renewable energies and energy transition. The Company was awarded energy transition projects (feasibility studies, basic engineering and FEEDs), including important strategic projects in the circular economy, decarbonisation, biomethanol, green ammonia and the production, transport and compression of green hydrogen both in Spain and abroad. TR has therefore managed to position itself strategically to carry out the future phases of these projects, some of which are planned for 2025, and to be a benchmark company in the sector.

MARKETS IN WHICH TÉCNICAS REUNIDAS OPERATES

15.1.5 Factors and trends that may affect the Company's performance

Apart from market developments, the Company may be affected by factors related to other areas of its business. Therefore, Técnicas Reunidas identifies and analyses emerging trends that could have an impact on its management model in order to take action in this regard and adapt its business strategy.

	FINANCIAL ENVIRONMENT	OPERATING ENVIRONMENT	HEALTH AND SAFETY REQUIREMENTS	ENVIRONMENTAL REQUIREMENTS
TRENDS	Contracting and execution models that delay collections from clients (invoicing by milestones rather than by stage of completion, reduction in prepayments, delays in resolving claims and high volume of guarantees). Macroeconomic uncertainty and market volatility (inflation, high interest rates). Increase in the tax burden on governments to offset deficits and new rules with minimum tax rates. Volatility of certain emerging market currencies. Evolution of the USD, TR's reference currency. Increased perception of the risk of turnkey projects by financial institutions and insurance companies with regard to the engineering and construction sector.	Uncertainty regarding the evolution of oil prices, with knock-on effect for investment decisions and execution of projects. Decreased uncertainty due to higher raw material prices, energy and transport costs. Geopolitical uncertainty: Middle East, Russia, the United States, China, Latin America and North Africa. Increased competition in turnkey projects. Increased client and subcontractor litigation. New demands from clients in the execution structure of projects (e.g.: joint ventures or revamping). Critical negotiations with customers and suppliers in the final	Adaptation to local occupational safety requirements. Increased demand from clients regarding the qualifications and requirements of onsite personnel with health and safety responsibilities. Need for practical on-site training programmes on occupational safety, with tools such as showrooms and virtual reality, among others. Incorporation of new technologies, digitalisation and artificial intelligence for improved performance and monitoring of safety and health projects.	Growing concern among clients regarding environmental requirements during the design and construction of projects, and during operation. Increased level of detail in reporting environmental information for clients' corporate reports. Increased demand and level of detail of environmental information and requirements by various entities such as the World Bank, financial institutions or accredited certification bodies. Increased environmental regulatory pressure.

	FINANCIAL ENVIRONMENT	OPERATING ENVIRONMENT	HEALTH AND SAFETY REQUIREMENTS	ENVIRONMENTAL REQUIREMENTS
TRENDS	Uncertainty regarding the evolution of the economic cycle. OECD regulation on taxation (BEPS). Optimisation and the search for efficiency Cash preservation policies for clients. Increasingly demanding, detailed and in-depth analyses by financial institutions and analysts of environmental requirements.	phases of the project. The Group's commercial initiatives are developed in coordination with the needs of our clients, analysing these needs and offering solutions to meet them. Preference by certain clients for early engagement of contractors before the tenders Need for clients to find financing for their projects. A firm commitment to process units with high-efficiency designs, aimed at carbon capture, minimisation of emissions and reuse of waste, supporting the circular economy, among others. Trend towards the use of renewable energies and low-carbon processes. Commitment in many markets to petrochemicals. Investment in energy transition projects (hydrogen, ammonia, biofuels) and other decarbonisation activities. Creation of tax incentives for		

	FINANCIAL ENVIRONMENT	OPERATING ENVIRONMENT	HEALTH AND SAFETY REQUIREMENTS	ENVIRONMENTAL REQUIREMENTS
TRENDS		generating green hydrogen. Increased use of technology and digitisation of manual processes as a more efficient alternative to traditional physical presence. Global shortage of engineering resources necessary for project development. Increasing customer requirements in implementing digital twins in their plants.		

	FINANCIAL ENVIRONMENT	OPERATING ENVIRONMENT	HEALTH AND SAFETY REQUIREMENTS	ENVIRONMENTAL REQUIREMENTS
HOW IS TR PREPARED?	Diversification of available lines of financing. Customer and supplier management (collection and payment periods, discounts, confirming). Development of policies for allocation of profits to the countries where they are generated (BEPs). Tax control and fiscal risks are strengthened with the establishment of a tax control body that reports to the board of directors, whose function is to monitor and control the main tax matters. Development of a highly diversified pool of banks, with a greater presence of local, regional and international banks. Process of continuously optimising and improving operational, commercial and structural efficiency.	Optimisation and improvement of efficiency. Geographical diversification of services and projects. Experience in sustainable technologies. Selective management of potential projects. Closer integration with clients from the initial phase onwards. Technical capacity and proven experience carrying out highly complex designs. Consolidated know-how and work procedures. Knowledge of the markets where the Company carries out its projects, including local suppliers and providers. Alliances with partners to carry out certain projects. Diversification of activities focused on decarbonisation. Leverage based on proprietary technologies. Strengthening of the legal team and involvement in the various phases of project	Implementation of a Regulatory Compliance System that includes criminal risks. Ongoing training in international health and safety standards aimed at project managers. Stronger collaboration between human resources and the other areas involved in the construction, commissioning and start-up phases. Development of specific software for effective occupational health and safety management. Linking 10% of the executive director's variable remuneration to health and safety aspects. Occupational Health and Safety Management System in accordance with ISO 45001 certification.	Strengthening the system for evaluating the environmental compliance of local suppliers. Continuous improvement of the Environmental Management System under ISO 14001. Internal and external audits of the Environmental Management System under ISO 14001 during the design and construction phases. Internal audits to ensure that corporate processes and procedures (CRM - Corporate Requirements Monitoring) for projects are correctly implemented during the engineering phase. Adapt the identification of corporate environmental risks and opportunities to the operations of the management system. Linking 10% of the executive director's variable remuneration to environmental aspects. Leading the way in the area of sustainability and the fight against climate change.

	FINANCIAL ENVIRONMENT	OPERATING ENVIRONMENT	HEALTH AND SAFETY REQUIREMENTS	ENVIRONMENTAL REQUIREMENTS
HOW IS TR PREPARED?	Order backlog in excess of EUR 11.5 billion at year-end 2024. Upgrades to systems and ERPs to enhance internal control of financial reporting. Results achieved in line with the strategic plan that strengthen the Company's capital structure and liquidity.	implementation. Providing support to clients in finding sources of financing for project implementation, including bank financing covered by export credit insurance provided by Export Credit Agencies (ECAs). Flexibility and responsiveness to adapt to local requirements and changes in project scheduling. Adaptation of its commercial and operational structures to optimise the likelihood of being awarded contracts and immediately starting project implementation. Risk control system with predictive analytics for key execution decisions. Reorganisation of the Project Control Area to simplify its structure and facilitate the provision of services to the Company's projects. Prioritise the purchase of local materials and equipment to reduce emissions from upstream transport and distribution, labour to strengthen local social action.		Comprehensive compliance with current local, national and international law and international environmental standards.

	FINANCIAL ENVIRONMENT	OPERATING ENVIRONMENT	HEALTH AND SAFETY REQUIREMENTS	ENVIRONMENTAL REQUIREMENTS
HOW IS TR PREPARED?		Implementation of the circular economy strategy: use of natural resources, and the reduction and reuse of waste. Reinforce the Delay Analysis Area to strengthen claims in the Company's projects. Simplification of reporting by the Project Economic Management Area to streamline the execution of its tasks. Reducing construction risk through service projects and partnerships with other companies. Growth plan in strategic country offices, where the Company believes that it can gain commercial, financial, operational or strategic advantages. Formal establishment of the track business area, specialising in energy transition activities. Opening or relaunching of commercial offices in countries with high investment prospects such as the United States or Kazakhstan. Develop intense commercial initiatives regarding analysis		

	FINANCIAL ENVIRONMENT	OPERATING ENVIRONMENT	HEALTH AND SAFETY REQUIREMENTS	ENVIRONMENTAL REQUIREMENTS
HOW IS TR PREPARED?		and tenders in the opportunities that are most relevant for TR in the super investment cycle. Detailed monitoring of investment decisions taken by NOCs (national oil companies), which are generally more long-term and sustained than those of IOCs (independent oil companies). Achieve a high number of contracts awarded in general and, in particular, in the area of the energy transition. Influence commercial initiatives as regards the energy transition in the European Union, the Middle East and North America. Expand alliances with construction companies and technologists that enable the Company to continue offering its customers cutting-edge solutions in the context of the energy transition that allow them to implement their sustainability and decarbonisation policies. Use of mobile technologies, robotisation of processes, cloud applications and artificial intelligence technologies.		

	FINANCIAL ENVIRONMENT	OPERATING ENVIRONMENT	HEALTH AND SAFETY REQUIREMENTS	ENVIRONMENTAL REQUIREMENTS
HOW IS TR PREPARED?		Collaboration with universities and other training centres for the development of future professionals. Development of new technologies in the field of energy storage and purification of basic materials in the industry.		

	SUPPLY CHAIN AND OUTSOURCING	INNOVATION AND NEW TECHNOLOGIES	GOVERNANCE AND SUSTAINABILITY	HUMAN RESOURCES
TRENDS	Growing geopolitical uncertainty. Volatility of commodities and currencies. Selection of competitive construction and assembly companies. Protectionism of companies towards local practices. Lawsuits brought by suppliers and subcontractors. Reduced financial strength of subcontractors. Tightening of global measures restricting the movement of labour. Focus on raw materials and especially on certain critical or strategic raw materials for relevant industries in the energy sector. Emission reductions in the nitric acid plant regulations for greenhouse gases (NOx, N_2O). Improved recovery of effluents with high nitrate content in ammonium nitrate plants in order to minimise soil	Decarbonisation plans for the main economic sectors (energy, steel, cement, etc.). Growing importance of low-carbon technologies (e.g. green and blue hydrogen and its derivatives, biofuels, carbon capture). Strong interest shown by the financial sector in investing in decarbonisation opportunities. Implementation of tax incentives in the United States and public funds in Europe to finance decarbonisation investments. Importance of digitisation and the use of new technologies to increase efficiency, ensure swifter client responses and reduce costs, among other reasons. Sustainability, environmental legislation and the circular economy as new business opportunities for developing technologies related	Quantitative and qualitative increase in disclosure of sustainability information due to Directive 2022/2464 (CSRD). Disclosure of information in accordance with the EU Taxonomy. Development of due diligence requirements in anticipation of the contents of the Corporate Sustainability Due Diligence Directive 2024/ 1760 (CSDDD) and in line with the Omnibus Simplification Package to be published on 26/02/2025. Increased requirements for compliance with international sanctions regimes, anti-boycott rules and compliance with international trade rules. Importance of compliance with regulations on anti-corruption, anti-fraud, anti-money laundering and countering the financing of terrorism.	Difficulty worldwide in attracting and retaining talent due to an increasingly more complex labour market as a result of the need for different qualified profiles in almost all sectors. Digitisation of processes. Increasingly higher demand for more flexible work hours and a greater work-life balance. The need to have highly technically qualified resources with strong management skills, client orientation capacity and results. Constant technological changes that require training systems tailored to these changes. The need to have adequate communication channels adapted to the new tools and trends existing in society. Demands for sufficiently competitive and equitable remuneration models.

	SUPPLY CHAIN AND OUTSOURCING	INNOVATION AND NEW TECHNOLOGIES	GOVERNANCE AND SUSTAINABILITY	HUMAN RESOURCES
TRENDS	contamination risks. Establishing lines of collaboration with clients, partners, suppliers and subcontractors. Use of by-products derived from energy transition technologies such as hydrogen-derived green ammonia and ammonia by-products such as nitric nitrate. Growing client requirements due to the emergence of the 'digital twin' concept and its implicit data standardisation. Increased competitiveness. Volatility in the international transport market due to, among other issues, geopolitical uncertainty and oil prices. Reorganisation of the partnerships of major shipping lines. Several key global tariff trends are expected for 2025 and 2026, such as the implementation of protectionist policies. Europe's implementation of the EU's Carbon Border Adjustment Mechanism (CBAM), which establishes a "green tariff" that will tax imports of products with high CO_2 emissions from	to waste management. A firm commitment to process units focused on high-efficiency designs, aimed at carbon capture, minimisation of emissions and reuse of waste, supporting the circular economy, among others.	Increased requirements regarding personal data protection. Impact on diversity in the management bodies of the companies and sustainability knowledge. Increased importance of material aspects for stakeholders. Importance of sustainability matters being monitored by corporate governance bodies and the need to strengthen internal control and risk management systems, including criminal risks. Support for the development of the most vulnerable groups and local communities. Use of technology to scale up social impact initiatives. Increased shareholder participation in companies' general meetings. Strengthening sustainability governance in a regulatory environment of increased uncertainty.	Increase employees' commitment and loyalty by improving their experience at the Company. Social dialogue and participation of employees in the various aspects of company management. Demand for equality plans, action protocols in cases of harassment, gender violence, protection of LGTBI groups, etc. Maintain a safe working environment that extends to their physical integrity when travelling or on international assignments.

	SUPPLY CHAIN AND OUTSOURCING	INNOVATION AND NEW TECHNOLOGIES	GOVERNANCE AND SUSTAINABILITY	HUMAN RESOURCES
TRENDS	countries without equivalent climate regulation to that of the EU. Increased sustainability regulations and standards. Increased stakeholder demands regarding sustainability and cybersecurity. Loss of competition in the logistics market as the number of available logistics service providers is reduced due to acquisitions and takeovers.		Special consideration of sustainability in decision-making.	

	SUPPLY CHAIN AND OUTSOURCING	INNOVATION AND NEW TECHNOLOGIES	GOVERNANCE AND SUSTAINABILITY	HUMAN RESOURCES
HOW IS TR PREPARED?	Maximising the use of insurance to minimise commodity price volatility. Expanding and updating of the Company's worldwide database of subcontractors, and further analysis of their financial capacity and the risks associated. Expanding and increasing market knowledge by enlarging the supplier portfolio. Close relationships with strategic suppliers to optimise the supply chain and improve competitiveness. Enhancing global synergies. Conducting technical and physical analyses to ensure subcontractors and sellers are able to fulfil their obligations. Focus on cash flow and third party financial assessments. Models of subcontracts and contracts with lower risk derived from the increase in the costs of production processes.	In-house developments in all areas of work and in relation to the energy transition (e.g. green and blue hydrogen, CO_2 capture and recovery, the circular economy and critical raw materials). Strategy in the field of digitisation to strengthen competitiveness, adapt to client demands and optimise processes. Specialists in the management of R&D and know-how in the development areas. Offering optimal technical solutions for the development of efficient industrial plants that allow customers to execute their sustainability and emission control and reduction strategies. Strengthening of the José Lladó Technology Centre, with specialised capabilities and resources in strategic lines of research.	Creation and development of a multidisciplinary EU Taxonomy working group that reports to the Sustainability Area, which classifies all the Company's activities in accordance with the regulations. Implementation of the Sustainability Policy and further development of the principles of responsible action. Monitoring of the specific actions of the 2024-2026 Sustainability Plan, coordinated between the different areas. Reviewing and improving the policies and procedures that make up the Criminal Compliance Management System. Specific human rights policy. GAP analysis, compliance with CSRD standards and development of a double materiality analysis for the Company's activities. Consolidation of the role of Board committees, mainly with regard to sustainability.	Experienced and globally coordinated recruitment teams with the best tools on the market to attract talent. Obtaining Top Employers certification in 2024, which, together with strengthening global communication channels, creates an excellent employer brand image for the TR Group. Improvements have been made in the digitalisation of HR processes. A talent management system is in place that allows action plans to be established to develop human potential. A robust training system is established that combines flexible face-to-face and online training that is in line with the needs of the business. The Company has established a greater presence both through internal communication channels and on the main social networks.

	SUPPLY CHAIN AND OUTSOURCING	INNOVATION AND NEW TECHNOLOGIES	GOVERNANCE AND SUSTAINABILITY	HUMAN RESOURCES
HOW IS TR PREPARED?	Establishment of consortiums and strategic partnerships with engineering and construction companies in the sector. Analysis of the transport market situation to assess and determine the best way to contract each type of transport on a case-by-case basis. Search for tariff exemptions and strategies in the countries where the projects are implemented or prefabrication of modules and piping to avoid tariffs. Constant collaboration between the customs group and the purchasing department to analyse possible tariff measures applicable for each project or supplier. Corporate purchasing terms include clauses that relate specifically to sustainability matters. In addition, TR carries out due diligence before awarding a contract to ensure that the supplier awarded the contract has a favourable due diligence report.	Opening of a product hub, an environment for testing and demonstration pilot equipment/prototypes mainly related to the production of H_2 and decarbonisation. Ad hoc agreements with suppliers of catalysts to implement treatments for minimising greenhouse gases in nitric acid plants. In-depth analysis of projects to plan their management throughout the implementation period. Introduction of virtual reality into the design and execution of the projects for management throughout the execution period. Continuous technological and economic intelligence surveillance in strategic development areas with a focus on detecting new business opportunities.	Continuous development and adaptation of internal documents aligned with best practices of corporate governance. Supervision by the corporate governance bodies of tax and information security risks. Reinforcing communication channels with key stakeholders. Reporting and verification of sustainability information in accordance with the highest standards. Ongoing adaptation to the Regulatory Compliance Management System and the prevention of criminal risks, and supervision by the Audit and Control Committee. Inclusion of parameters linked to sustainability in the variable remuneration of the executive director and other senior executives.	There is an annual salary review process that includes a system of variables and the CORE project has been launched to retain talent. Important agreements have been reached with the various trade union representatives in the Group, and this social dialogue has led to the negotiation of agreements such as equality plans, action protocols in cases of gender violence, sexual harassment, etc. Specific programmes have been established to improve the experience of employees at the Company, including aspects such as physical and mental health, socialisation, leisure, etc. A specific international physical security department with a global presence has been created to monitor and prevent possible security risks in those locations where the Company operates.

	SUPPLY CHAIN AND OUTSOURCING	INNOVATION AND NEW TECHNOLOGIES	GOVERNANCE AND SUSTAINABILITY	HUMAN RESOURCES
HOW IS TR PREPARED?	As part of the supplier pre-qualification process, companies must provide the required information on cybersecurity. Optimisation of the archiving of project procurement documentation, improving accessibility, cybersecurity and confidentiality. Diversification of the logistics service provider base by encouraging the participation of small and medium-sized providers.	Participation in the development of decarbonisation projects for green ammonia activities by using ESPINDESA's proprietary technologies for green ammonia derivatives (nitric acid, ammonia nitrate, ammonium-calcium nitrate and nitrosulphate). Agreements with electrolyser and ammonia technologists to complete the production chain with proprietary nitric and nitrate ammonia-derived technologies, while maintaining an active presence in the industrial ammonia plant business.	Third party integrity analysis. Third party audit of the Criminal Compliance Management System. Diverse Board of Directors with 40% women. Active participation of shareholders and investors at the Annual General Meeting and Capital Markets Day. Strengthening internal communication and sustainability training for all employees.	

15.1.6 Objectives and strategy

Técnicas Reunidas' strategy is structured around four pillars: methodology, diversification, quality and safety.

a. Methodology:

The methodology is based on the development, systemisation and proper use of all the know-how that TR has acquired since 1960 executing projects around the world. This commitment to the methodology makes it possible to improve the efficiency of the work processes, an aspect that TR has been including in recent years. In this pillar, both the Company's excellent human capital, made up of highly qualified professionals, and the innovation and digitalisation of work methodologies are essential. These aspects are part of TR's DNA, which allow it to have the necessary technical solutions and human capital to provide its customers with high added value services that enable them to meet their sustainability objectives, in particular those related to reducing the emissions.

b. Diversification:

TR diversifies its customer bases, services and geographical areas, contributing to sustainable growth and an effective energy transition. In turn, the Company has a portfolio of customers of recognised prestige that contribute to consolidating its presence in the market and their business is highly recurring.

c. Quality:

TR's emphasis on the quality of all its processes (which requires selecting the right suppliers and subcontractors) guarantees the execution of every project in accordance with customer's needs and requirements, especially with regard to sustainability aspects.

d. Safety:

TR promotes a specific corporate culture in occupational health and safety, introducing training programmes for staff and encouraging their participation in prevention efforts and improving working conditions, promoting shared responsibility at various levels of the organisation.

The Company establishes annual objectives for each department and integrates them into its strategy while adapting them to the specific needs of the areas, so that the objectives have an individualised approach that makes it easier to trace and compare them. The objectives established by Técnicas Reunidas for each area are detailed below.

Objectives for the General Secretariat - Sustainability	- Approve a Directors' Remuneration Policy applicable as of 1 January 2026. - Promote the approval of or updates to various corporate policies in coordination with the relevant areas, which include for information purpose, but are not limited to, the following: AI Policy, Cybersecurity Policy, Business Secrets Policy, Corporate Governance and Group Definition Policy, Policy on Information, Communication, Contact and Engagement with Shareholders, Institutional Investors, Proxy Advisors and Other Stakeholders, and Director Selection and Diversity Policy for the Board. - Update the Group's ESG risk map and analyse whether it is consistent with European Sustainability Reporting Standards (ESRS). - Update the Group's transition plan. - Continue to participate in leading international sustainability indices. - Complete the implementation of a Group-wide reporting tool to automate sustainability reporting. - Develop and launch a sustainability training course for all staff. - Monitor the implementation of the 2024-2026 Sustainability Plan, in particular those actions to be carried out in the short term. - Standardise KPIs to collect ESG data from the Group's projects. - Focus ESG reporting of the Group's operations through the ESG Projects figure. - Update the Board Regulations and the Regulations of the Board Committees. - Maintain a high percentage of votes in favour of the items on the agenda of the 2025 General Meeting. - Continue to optimise the Company's risk mitigation programme by taking out insurance policies, in coordination with the relevant areas.
Objectives for HR	- Cover global staffing needs to respond to the corporate growth strategy and the high workload for 2025 and beyond. - Integrate new hires in a sustainable and comprehensive manner, adapting corporate policies and the different management, training and development tools to the needs of operational growth and local realities. - Make further progress on the digitisation of management's processes. - Continue to make progress on creating a robust and attractive internal communication system to increase the employer brand image. - Ensure the effectiveness of the evaluation and promotion processes that allow for solid, stable groups of managers at different levels, prepared to lead the Company's growth. - Maintain standards of continuous training adapted to the changing needs of the market, combining technical, skills and leadership training. - Improve the rating obtained in the Top Employers certification. - Implement tools that allow the Company to maintain an internally fair and externally competitive remuneration policy. - Establish personal and professional development programmes and encourage participation among employees in those aspects that benefit their personal and professional well-being. - Enter into agreements with different institutions and universities so as to consolidate the Company's stable and future growth and promote the incorporation of women in professions where men are historically in the majority. - Maintain a good working environment and high standards of commitment between the Company and all its employees. - Maintain standards of work-life balance and equal pay for men and women. - Ensure the international physical security department adapts to the different needs of each location where the Company operates. - Continue to make progress on efficiently managing available space in line with operational resource requirements by making better use of available resources.

Environmental Objectives	- Improve the energy efficiency of central office buildings in Spain. - Implement new measures following the Company's ESG risk diagnosis. - Implement the environment-related actions of the 2024-2026 Sustainability Plan. - Continuous improvement of the Environmental Management System as part of ISO 14001 certification. - Continue to analyse the implementation of the management system in new subsidiaries. - Conduct environmental audits in accordance with the audit programme of the management system. - Standardise the findings from environmental audits for HSE Construction internal audit reports. - Continue to develop a circular economy strategy within the framework of the Company's Sustainability Policy. - Continue to meet spill prevention targets and other environmental requirements within the framework of the Quality, Safety, Health and Environment Policy. - Continue to standardise procedures and standards to include new sustainability requirements.
Energy Transition Objectives	- Develop Técnicas Reunidas' proposal for energy transition, taking advantage of the opportunities offered by decarbonisation and the growth of investment in low-emission technologies. - Take advantage of Técnicas Reunidas' industrial presence to structure projects in decarbonisation technologies: hydrogen value chain, bioproducts, carbon and methane capture. - Diversify Técnicas Reunidas' services towards other industries (cement, steel) and strengthen its implementation in the decarbonisation in certain markets (US and Europe). - Configure new services and business models for the decarbonisation of production chains, such as carbon management and methane management. - Move forward and increase the number of research projects in the field of decarbonisation and submit projects for funding in the tenders for PERTE, Horizon, Innovation Funds, etc. - Position Técnicas Reunidas as a benchmark company in the field of decarbonisation and increase the external and internal visibility of its capabilities in this area.
R&D Objectives	- Continue with the development of the Swiss Zinc project for the future municipal waste recycling complex in Switzerland that will include the ZINCEX^{TM} and ECOLEAD^{TM} technologies for the recovery of Zn and Pb by contracting the technological package that includes basic engineering, the licensing of the technologies and the supply of proprietary equipment. - Continue with the development of technologies in the circular economy strategic line (solid municipal waste, electronic components, plastics, industrial effluents, etc.) to obtain and/or recover critical raw materials essential for the energy transition, such as lithium, cobalt, rare earths, etc.; development of green hydrogen production technologies using AEM (Anion Exchange Membrane), SOEC (Solid Oxide Electrolyzer Cell), PCEC (Protonic Ceramic Electrochemical Cells) and alkaline electrolysers and CO_2 capture and recovery technologies. - Consolidate the development of projects related to green ammonia and its derivatives with a project at a more advanced stage than the conceptual project and understanding ammonia plants as 'green', based on the electrolysis of water instead of those based on the reforming of natural gas. - Continue to develop technologies for obtaining and recovering critical raw materials essential for the energy transition such as lithium, cobalt, rare earths, etc. - Develop products associated with the decarbonisation of combustion equipment. - Strengthen digital innovation lines by creating workshops to identify challenges and solutions, and by working in an ecosystem to co-innovate and seek synergies. - Create a data and artificial intelligence area to work with the business areas and put the operating model into practice.

	- Develop the methane monitoring platform in a strategic partnership with Google. - Develop a tool for managing PC MAKER purchasing terms. - Develop and implement uRisk, a unique risk management tool. - Complete the development and implementation in projects of the CostApp cost control tool. - Develop and implement the TRBranch tool for managing activities in subsidiaries. - Implement digital twins with large customers and projects. - Develop and implement the MTRApp tool for digital twins. - Implement Taski, a task control system for managing technical queries.
Financial Objectives	- Monitor compliance with the obligations assumed in the contracts with the Fund for Supporting the Solvency of Strategic Companies (SEPI). - Continue negotiating bilateral and syndicated guarantee lines for the Company's new businesses. Strengthen the relationship with the private insurance market in the search for surety instruments. - Strengthen the role of multilateral institutions, export credit agencies and other mechanisms in the Company's financial activities. - Strengthen the solvency analyses of the shareholders, suppliers and subcontractors with which TR has relationships. - Closely monitor the Company's cash flow for optimisation to ensure a healthy liquidity position. - Continue to review solvency and credit ratios to further strengthen the Group's balance sheet structure. - Reinforce proactive communication with the market. - Monitor the process of implementing the Company's Efficiency Plan. - Continue to seek investors and financial products linked to the energy transition and sustainability. - Continue to seek mechanisms to strengthen the Company's lines of credit. - Actively manage interest rate hedges on debt and exchange rates and commodities. - Monitor compliance with advance pricing agreements with the Spanish tax authorities. - Maintain active participation in the Large Taxpayers Forum. - Renew UNE 19602 certification in Tax Compliance Management. - Strengthen tax compliance, monitor new rules and their impact on the tax credit recovery plan by the tax department and the tax compliance body.

Procurement Objectives	- Implement new actions related to the Procurement Area within the framework of the 2024-2026 Sustainability Plan, such as:
	  - Encourage and lead supply chain training on sustainability.
	  - Establish corporate KPIs on supplier due diligence.
	  - Train, coach and raise awareness among procurement staff on sustainability and cybersecurity.
	- Focus on the consolidation, growth and development of local operational centres in the offices of Turkey, the US, the Middle East and India and the creation of a new operational centre in China.
	- Consolidate multi-project teams, reinforcing them with other disciplines within the Area and developing specific working procedures.
	- Continue developing the PCO (close-out application) to achieve greater integration at both the Area and Company level.
	- Develop procedures for closing orders that are in line with the strategic contracting schemes set out in the SALTA plan.
	- Develop objective tools to assist decision-making through risk matrices.
	- Assess new tools to optimise the process of issuing official correspondence, ensuring its traceability.
	- Create the Prefabrication Workshops Department.
	- Continue the AI strategy implemented in 2024, consolidating its use to automate processes and improve efficiency and accuracy in decision-making.
	- Integrate virtual assistants to optimise the efficiency and accuracy of internal processes.

	- Use artificial intelligence models for the extraction, cleaning and conversion of unstructured information into structured data that can be used for analysis purposes to optimise its subsequent analytical exploitation. - Continue the digitisation of processes. - Strengthen training in line with the growth of staff at the home office and at the international operational centres. - Continue the corporate strategy of reaching collaboration agreements with suppliers. - Consolidate and generalise use among other suppliers of the digitisation tool for the new piping material certificate management system. - Implement a strategy to consolidate the new version of the IMA mobility app, allowing it to be expanded on different Android and iOS platforms and devices, ensuring greater accessibility to a wide range of inspectors, thus improving the mobility experience and interaction with our digital corporate solutions. - Follow up with local offices on local content sourcing requirements. - Make efforts to collaborate with key suppliers to develop joint digitisation and artificial intelligence initiatives. - Issue corporate Terms of Contract for engineering services and studies. - Issue revised Terms of Contract for corporate supplies and services to bring them in line with current market requirements and new regulations. - Establish contracts with the main consultancy firms to train internal staff in sustainability, CBAM (Carbon Border Adjustment Mechanism), etc., to deal with new trends in this area and to be able to calculate the impact of these measures when organising supplier offers or estimates at the bidding phase. - Thoroughly review contracts in the bidding phase, mainly in those cases in which Técnicas Reunidas acts as an importer or assumes the payment of tariffs. - Support of local office staff in matters concerning tariffs and dual-use items so as to anticipate possible tariff or legislative, administrative changes. - Establish sustainability KPIs for projects. - Develop a specific sustainability appendix in the corporate Terms of Contract. - Provide CBAM training and assistance to the supply chain. - Strengthen the cybersecurity of the e-Supplier portal. - Consolidate the ARAMCO Inspector Saudisation Plan by completing the first course of the inspector assistant program that began in collaboration with ITQAN in September 2024 and launch a new course in September 2025. - Expand collaboration with flange suppliers to share suggestions based on the latest research results and lessons learned in projects to improve quality control of low temperature carbon steel forgings. - Negotiate and establish the Terms of Logistics Subcontracting with different transport companies to optimise order award and issue times and reduce the risks in the awards.
Construction Objectives	- Continue to seek process efficiency and optimisation through digitalisation and robotic automation and improve database processing with the use of artificial intelligence. - Develop new technologies for construction sites associated with improved production and reduced labour requirements. - Explore new framework agreements and partnerships with subcontractors. - Continue to establish collaboration agreements with large groups of construction companies and improve the coordination and synergies of existing ones. - Enhance the ESAM tool to improve communication with subcontractors and certification processes. - Launch new energy improvement and sustainability systems in temporary construction site facilities.
Health and Safety Objectives	- Continue to fulfil the objectives set out in the Sustainability Policy in relation to safety on site. - Continue to promote the health and safety culture plan, including campaigns to raise awareness among employees.

	- Give greater visibility to good occupational health and safety practices on construction sites within the company and promote the TR brand to the outside world, including optimisation of the on-site HSE auditing process. - Provide project managers training on the legal liabilities associated with health and safety during the construction phase. - Implement a new IT tool for recording health and safety observations and inspections during the construction phase in selected projects. - Maintain accident rates below the targets set. - Annually recognise the best projects in the construction phase based on the health and safety KPIs and indicators obtained. - Provide training on pre-commissioning and commissioning activities from a health and safety point of view. - Create a digital repository of the most significant health and safety lessons learned. - Study and contract an Employee Assistance Programme in relation to psychosocial risk assistance. - Complete the implementation of HEYMO within the TR Group's Joint Prevention Service. - Continue to optimise the implementation of the Integrated Management System for ISO 45001 certification. - Implement a psychological support programme for employees.
Regulatory Compliance Objectives	- Renew the UNE 19601 certification in Criminal Compliance Management Systems (CCMS). - Review the CCMS with respect to the requirements of ISO 37001 to assess its certification in the future. - Develop an international sanctions policy. - Develop the gift and hospitality registration and approval tool and control system. - Reassess criminal risks and update the risk and control matrix. - Continue with the deployment of the regulatory compliance function in those geographical areas that, due to their volume, continued business or new business, require it.
Social Objectives	- Ensure a high percentage of local procurement and outsourcing. - Continue to contribute to the economic and social development of local communities by getting them involved in projects in the geographical areas where the Company carries out its operations. - Strengthen dialogue with stakeholders for the purpose of understanding all concerns of the Company's stakeholders, in particular those affected by its projects. - Train and increase the hiring of local personnel in those regions where the Company is carrying out projects. - Promote human rights training.
Commercial Objectives	- Develop intense commercial initiatives regarding analysis and tenders in the opportunities that are most relevant for TR in the EPC super investment cycle, which allows opportunities that reduce risks and ensure returns to be selected. - Achieve a high number of contracts awarded in general and, in particular, in the area of the energy transition. - Influence commercial initiatives as regards the energy transition and engineering services in the European Union, the Middle East and North America. - Strengthen commercial initiatives that focuses exclusively on engineering services. - Expand alliances with construction companies and technologists that enable the Company to continue offering its customers cutting-edge solutions in the context of the energy transition that allow them to implement their sustainability and decarbonisation policies.

15.2. Risk factors (non-financial) associated with the business

Técnicas Reunidas has the necessary tools and procedures to help it identify, prevent, minimise and manage the risks associated with its activity. In this regard, the Company has a comprehensive methodological risk management framework covering all areas and projects in which it is involved.

Using this comprehensive framework, TR prepares a catalogue of the key risks identified in accordance with the COSO 2013 methodology.

To manage these risks, the Company has developed various procedures and management policies, including the following:

- Procedures related to the nature of the projects, such as their selection, geopolitical risk diversification policies and policies to preserve the technical capacity necessary to execute the projects, and to share the risks in their execution with third parties, contracting insurance, ways of contracting quality suppliers, etc.
- Procedures related to the financial management of projects: management of foreign currency risk, liquidity and tax risks.
- Procedures related to Health and Safety Management Systems.
- Procedures related to the Criminal and Tax Compliance Management System.

The Company's main operating risks are listed below, including non-financial areas such as environment, health and safety, cybersecurity, human rights, personnel, integrity and reputation. The main operating risks and the management mechanisms available to TR are set out below.

Risk	Description	Main risk management and mitigation mechanisms
Changes in project costs.	Several factors may give rise to a change in project cost estimates in turnkey projects (the complete price is closed at the start while execution costs may change), such as the volatility of raw material prices, changes in project scope, performance by construction and assembly subcontractors on time and with required quality, litigation by clients or suppliers, geopolitical decisions with an immediate impact or weather conditions, among others. The assessment of all these factors implies a high level of judgement and estimates. Failure to comply with delivery deadlines may result in having to pay compensation to clients.	- Development of new contracting methods to mitigate risks (type of contract, inclusion of partners). - Inclusion of indemnity clauses in contracts with suppliers and subcontractors. - Establishment of framework agreements with key suppliers and subcontractors. - Intensive procurement in the first few months of implementation of critical equipment with a high level of sensitivity to the price of raw materials and the inclusion of clauses that allow prices to be adjusted based on market fluctuations. - Commodity and currency insurance taken out. - Formal change management process to assess and approve any changes to the scope of projects. - Use of derivatives that allow the acquisition of certain essential raw materials and equipment in instalments. - Distribution of execution of work among several subcontractors from an early stage of the project. - Inclusion of contingencies for deviations in budgets. - Reliance on opinions of external consultants in the preparation of estimates and judgements. - Close monitoring of project execution deadlines to detect delays, which allow acceleration and penalty risk mitigation mechanisms to be implemented. - Exchange rate insurance taken out. - Detailed analysis of applicable regulations and any possible changes to regulations during the tender and execution phases of each project.

Risk	Description	Main risk management and mitigation mechanisms
		- Design of cost control strategy with the Procurement Area and negotiation of commodities by price and availability to avoid impacts on projects. - Establishment of subcontracting strategies and constructive sequences adapted to cost rather than term. - Control, follow-up, negotiation and closure, according to expectations, of change orders and claims, which are relevant to the business. - Project management, ensuring compliance with deadlines and delivery schedules.
Changes in the price of oil and gas.	The price of crude oil and gas, in addition to other factors, affects the investment, award and execution decisions of the Group's clients and suppliers, competitors and shareholders. In 2024, the fact that oil prices remained stable contributed to the performance of TR's activities.	- Predominance in the portfolio of customers that are state-owned companies compared to private companies, includes other factors beyond purely financial considerations in their decision-making, such as geopolitical and social criteria. - Diversification of products, services and geographical areas. - Mitigation of negotiation risks with clients and suppliers by the early detection of those matters that may represent a change in the contractual price. - Consortia working schemes and others to minimise construction risk.
Execution of projects in multiple geographical areas.	TR's projects are developed in multiple geographical areas, each of which has a different risk profile to mitigate: political and social tensions, locations with limited access, limited legal certainty, local content requirements, potential double taxation due to execution from several jurisdictions simultaneously, increasing tax burden in all geographical areas where the Group operates, or complexity of the margin allocation process in projects developed simultaneously in multiple geographical areas, etc.	- Project selection based on a detailed analysis of the client and country (establishing a local presence prior to bidding), and other aspects such as project-specific margins and risks. - Analysis of the tax implications of the projects, always with the advice of reputable top-level firms, as regards all direct and indirect taxes, with a special focus on monitoring the regulation and VAT position of projects. - Use of modular construction methods in locations with limited labour availability or where the site conditions allow for savings compared with other options. - Where possible, TR includes the resolution of disputes at courts or in arbitration in countries where it has prior experience. - Where possible, the Group's contracts include clauses that allow prices to be changed in the event of amendments to laws. - Flexibility to adapt ourselves to domestic content requirements. - Development of BEPS policies. - The Group's Internal Tax Risk Manual, which is monitored by the tax compliance body, sets out the Group's tax strategy and internal procedures for managing tax risks, which includes training actions and internal investigation plans. - In the bidding phase, tax strategies are determined that minimise risk with local advisors, including in the Group's usual markets. - In the execution phase, the tax assessments submitted are monitored, with the support of local advisors, and events or deviations from the initial strategies are identified with the aim of correcting them with the support of the Operations Area. - Framework of international assignment policies at the TR Group level, which regulate the seconding conditions that will apply to those who move to new projects that will be performed in the future outside Spain.

Risk	Description	Main risk management and mitigation mechanisms
		- Contingency plans to respond quickly to changes in the political and social environment. - Specialised legal advice to ensure compliance with local regulations.
Concentration of projects in a low number of customers.	At certain times the portfolio may feature a high concentration in a low number of clients and suppliers in certain countries.	- Development of the North American Business Unit based in Houston with intense commercial initiatives in developing relationships with new clients with which new contracting models and types of engineering services will be used. - Concentration only in markets in which the Group has sufficient prior experience. - Diversification policy that allows TR to access different markets. - Deployment of relevant commercial initiatives with customers in markets in which TR does not yet have a presence. - Commercial initiatives to find new customers.
Environmental and safety requirements.	TR carries out projects where incorrect performance entails high risks of impact on the environment or health and safety risks. The Company works to control and minimise those risks by collaborating with its clients, subcontractors and suppliers in this area.	- The existence of a Sustainability Policy and Plan and the implementation of environmental and health and safety initiatives consistent with it. - Quality, Health, Safety and Environment Policy that introduces concepts of sustainability, consultation and engagement, and well-being and health. - Implementation and continuous improvement of an Integrated Environmental and Occupational Health and Safety Management System in accordance with ISO 14001 and 45001 certification, respectively. - Assurance that risks (health, safety and environmental) are identified from the bid preparation phase for analysis and that the appropriate mechanisms are developed during the engineering and construction phase of the projects to ensure that reduction and mitigation measures are implemented. - Extension of this assurance to suppliers and subcontractors through audits and training. - Reinforcement of safety and environmental matters in processes from the project design phase. - Promotion of occupational safety at suppliers and subcontractors.
Economic variables.	Certain economic circumstances (changes in exchange rates, interest rates, availability of financing, taxes, etc.) can have an impact on TR's business and profits. Period of geopolitical tensions with high impact on economic variables (high levels of inflation). Uncertainty regarding the economic outlook in 2024 in almost all areas, mainly in advanced economies and persistent inflationary pressures in certain economies. Greater emphasis in the decisions of TR's customers on the entities or organisations that finance their investments.	- Ongoing monitoring of currency, commodity and interest rate risks and arranging structures to mitigate these risks. - Management of a solid balance sheet and availability of adequate financing facilities, including the obligations assumed in the contract with the SEPI-FASEE. - Mitigation of the risk of lack of liquidity of clients through active involvement in their financing processes, through banks that support the transactions in which TR participates, as well as through the use of export insurance through banks that support the transactions in which TR participates, and direct contact with the institutions financing its clients, as well as through the use of export insurance. - Growth plan in offices in different specific geographical regions, which means not losing its competitive edge. - In addition, the Company has a tax compliance body that is responsible for managing and properly monitoring the Company's tax risk, and

Risk	Description	Main risk management and mitigation mechanisms
	Financial institutions have increased their perception of risk in the sector in recent years, and they are now more conservative in their support for it. In addition, in general, the application of tighter global monetary policies has led to tighter financial conditions in emerging economies. Potential corporate income tax changes in the countries where the Company carries out its projects could lead to delays in the DTA recovery plan.	for reporting on this matter to senior management and the Board. - Mitigation of economic risk with appropriate financing diversification policies. - Continuous monitoring in accordance with IFRS 9 of interest rates and their impact on cash and on debt, credit risk and counterparty risk management. - Management of external factors impacting the business, such as the aftermath of the war in Ukraine on changing market conditions, or the economic policies of new governments, which can distort clients' final investment decisions, and affect international trade and final price formation. - Monitoring of financial risks in the business, ensuring sufficient returns and liquidity, and an environment of financial solvency with clients, suppliers and business partners.
Information technology.	With the Group's increased digitalisation and remote working, the risk of intrusion into its systems by cybercriminals has increased (increase in the perimeter of attacks, cyber threats and cyber-attacks).	- Information Security Management System certified in accordance with ISO 27001:2013. - Information Security Policy and Privacy Policy, which are based on a zero trust model and aligned with international standards such as NIST, CIS, National Security Scheme and ISO 27001:2013. - Employee training on cybersecurity matters. - An Information Security Committee has been created to analyse the development of the Strategic Cybersecurity Plan, the results of the audits and the main risks faced and measures taken. - Incorporation of a second layer of email filtering to prevent CEO fraud and spam emails (phishing).
Attraction and retention of key personnel and adaptation of resources to the workload.	The need to attract talent and the risk of losing key personnel can be a risk to implementing the Company's strategy. The Company is faced with reduced availability of qualified personnel in the market and increased demand for these profiles worldwide.	- Have a human resources structure with global management to respond to the Company's needs and the demands of the labour market. Strategic, global and diversified workforce growth plan in the different geographical areas in which the Company operates. - Have communication channels that enhance the image of Técnicas Reunidas as an employer brand. - Competitive and equitable remuneration measures. - Identification of key employees and leaders to meet expected growth challenges, establishing policies that favour their attraction and retention, and specific training, development and wellness programmes.
Integrity and reputation.	Improper or irresponsible behaviour by employees or other third parties with which the Group collaborates (suppliers, subcontractors and partners) may negatively affect the reputation of and results obtained by TR.	- Internal regulations and training to ensure proper behaviour of the workforce and the availability of a Code of Conduct, Criminal and Tax Compliance Policies and Procedures and an Internal Reporting System.

Risk	Description	Main risk management and mitigation mechanisms
		- Accreditation of UNE 19601 and UNE 19602 certification in Criminal and Tax Compliance Management Systems. - Requirement for suppliers, subcontractors and partners to comply with environmental, human rights, health and safety, anti-corruption and anti-fraud requirements, all of which are included in the Supply Chain Code of Ethics.
Suppliers and subcontractors.	Tensions between countries limit access to suppliers of goods and services and to subcontractors. Protectionism of end customers towards local practices with a corresponding increase in prices. Increased activity in the market and the multitude of projects under way worldwide have led to a shortage of personnel for the execution of the projects in almost all locations, and increased competition to fill the technical positions necessary for the execution of the projects. Saturation of production capacities globally due to increased demand for energy projects. New markets and projects with local content requirements. New types of plants (PTA, Petrochemical, Biodiesel, HDPE). Sanctions and reputational risks in the supply chain. New protectionist tariff policies in countries where the projects are executed. Tensions in international transport. Increased freight rates due to conflict and geopolitical instability. Lack of transport equipment (containers) if maritime routes have to be restructured due to increased tensions mainly in the Middle East. Blockades/barriers to imports/exports to and from the US and similar responses to these measures by affected countries. Gap in specific skills and abilities in developing countries, exacerbated in the case of countries where the respective governments are deploying protectionist labour policies.	- Expanded lists of suppliers and subcontractors that meet client requirements. - Supplier and subcontractor assessment processes including ESG criteria, and improved financial, health and safety, and environmental assessment criteria. - Integrity analysis of suppliers and subcontractors, most notably analyses of corruption, fraud, international sanctions, money laundering and terrorist financing. - Training, coaching and awareness-raising among procurement staff on sustainability and cybersecurity. - Inclusion of cybersecurity criteria in the e-Supplier pre-qualification form.

Risk	Description	Main risk management and mitigation mechanisms
	Growing sophistication of cyber-attacks.	
Quality of execution.	Quality in the execution of the works ensures not only the successful completion of the project, but also obtaining projects of a similar nature or with the same client.	- Quality supervision mechanisms in all project phases. - Creation of databases recording the Group's know-how and best practices. - Quality procedures are drawn up by all the departments concerned, minimising the possibility of lack of knowledge, and reviewed by the Knowledge Management Department. - TR has continuously renewed the certification of its Quality Management System in accordance with ISO 9001 for more than 25 years.
Climate change.	Climate change requirements can impact clients' needs and the way in which TR implements its projects. In addition, one of the most relevant risks in relation to the environment is compliance with the European Union's plan for full decarbonisation by 2050.	- The Company has excellent engineering capabilities to provide customers with technical solutions that enable them to carry out their sustainability projects and activities and their emission reduction initiatives. - For the construction phase, the Company has work procedures in place that enable it to execute projects in extreme head and cold.
Corporate governance and sustainability.	The Company's comprehensive regulatory requirements and voluntary commitments in this area require TR to have the structure and means necessary to respond to them.	- The Company promotes sustainability actions in response to the growing needs and expectations of its stakeholders. - The Sustainability Area also encompasses a specific division for the projects that allows TR to carry out its sustainability actions in a coordinated manner for all its operations. The 'ESG Projects' figure is in charge of this task, a person who coordinates the detailed monitoring of the ESG contribution to each project, thus promoting TR's Sustainability Plan. - The General Secretariat of the Board has adapted its procedures to respond to new corporate governance and sustainability requirements, including the CSRD or the upcoming Sustainability Due Diligence Directive. - The Company implements, together with the other areas responsible in this respect, the Human Rights Policy approved in 2023. This Policy contains specific commitments and rules of action in relevant areas such as the rejection of forced or compulsory labour and child labour, the prohibition of slavery, respect for diversity and non-discrimination, or just and favourable working conditions. - The Company is working on developing new corporate policies related, among other matters, to artificial intelligence and cybersecurity, with the aim of approving them by 2025.
New energy scenario.	The energy transition is a new reality to which both TR's clients and the Company itself must adapt themselves so as to meet the	- The Company has set up a unit specifically dedicated to strengthening Técnicas Reunidas' capabilities in the decarbonisation of the economy.

Risk	Description	Main risk management and mitigation mechanisms
	decarbonisation budgets and deadlines to which their countries have committed. Technological risks associated with the energy transition have been identified. The risk of market sluggishness takes into account several variables, such as the use of unproven technologies, the competitiveness of low-carbon services versus traditional services, and the financing of new technologies. It is also influenced by the development of value chains, both in the supply of commodities and in the market, changes in regulation and its complexity, and the development of the infrastructure necessary to ensure the success of the projects, such as the electricity grid and carbon logistics.	- Técnicas Reunidas has a financing framework, which has a Second Party Opinion (SPO), with the aim of boosting its commitment to decarbonisation and the energy transition. - The Company performs an appropriate risk allocation and analysis of specific insurance cover.

Additionally to the operational risks mentioned above, TR evaluates other potential non-financial contingencies of minor impact to the Company with the aim of always ensuring the maximum performance levels in terms of sustainability. The details of the procedures applied by the Company to manage these risks may be found in each of the related chapters of this document.
Técnicas Reunidas is committed to sustainability as a key element in its future business development. Against this backdrop, the Company approved the Group's Sustainability Policy in 2020 and its first Sustainability Plan in 2021, which is in line with the principles of the Policy. A new 2024-2026 Sustainability Plan was drawn up in 2024, implementing various actions in line with those of the previous plan, and that aim to strengthen the Company's progress in terms of sustainability and ensure the fulfilment of its objectives. This progress responds to the expectations of the Company's main stakeholders and demonstrates the Company's commitment to sustainability.

The implementation of the Policy and its development in the 2024-2026 Sustainability Plan serves as a roadmap to coordinate all the Company's activities and initiatives regarding sustainability (addressing key issues such as climate change, circular economy, innovation and cybersecurity, responsible supply chain management, safety, health and well-being of employees and subcontractors, ethics and compliance or human rights), and the establishment of a reference framework containing the Company's guiding principles with respect to its stakeholders.

The Company's commitment to criminal compliance has been affirmed since in 2023 it obtained UNE 19601 certification of its Criminal Compliance Management System granted by AENOR, an entity accredited by the Spanish National Accreditation Agency (ENAC) for auditing and maintaining this standard in 2024, and in 2024 it obtained UNE 19602 certification of its Tax Compliance Management System.

In 2024 the Company continued to lay the foundations for the System of Internal Control Over Financial Reporting (ICFR) in various ways, including in particular its analysis at the meetings of the corporate bodies responsible for this matter and the consolidation of assigning this task to the Board. Similarly, the Company has consolidated the integration of ESG criteria into internal decision-making processes in multiple areas and procedures. In 2024 the Company completed an in-depth analysis of the impacts, risks and opportunities of its activities from a double materiality perspective, which will be supplemented by a specific analysis of ESG risks that will be carried out in 2025 (see section 15.8. About the statement of non-financial information).

As proof of its sustainability performance, the Company obtained a score of 60/100 (corresponding to the 96th percentile[1], as the average score for the sector is 29/100) in its participation in the S&P Global Corporate

[1] *TR ranks in the 96th percentile overall, 92th percentile in Governance, 89th percentile in Environmental and 99th percentile in Social.*

Sustainability Assessment (CSA), placing it among the companies with the best ESG performance in its industry. The CSA is an annual assessment of corporate sustainability practices that focuses on sector-specific and financially meaningful criteria. This analyst highlights the progress and quality of the Company's sustainability reporting and its good practices regarding transparency, the diversity and composition of the Board of Directors, the circular economy strategy it is implementing and its efforts to reduce its emissions, including its climate strategy.

In addition, the Company has been included in the S&P Global's prestigious 2025 Sustainability Yearbook, thus being recognised for its improvement and drive in sustainability. To be included in the Yearbook, members must score in the top 15% of their sector and achieve a CSA score in the top 30% of the best performing company in their industry.

Finally, it should be noted that Técnicas Reunidas has not identified any additional significant impacts in the year for the rest of the non-financial issues.

15.3. Information on environmental matters

15.3.1 Corporate environmental policy and management systems applied to identify and manage the impacts of the Company in this area

Environmental management is a priority integrated into the Company's strategy, responding to both its own operations and the activities of its value chain, establishing environmental requirements for its facilities and projects, and based on the corporate policy in this area.

Técnicas Reunidas has a consolidated Environmental Management System that covers legislative requirements and stakeholder demands. This system is implemented and certified in accordance with ISO 14001:2015. The excellent results of the internal and external audits demonstrate the maturity of the Management System and the Company's commitment to applying the best available practices in environmental matters.

The Company offers its services to potential clients with the aim of providing the most efficient, affordable and reliable technical solutions that meet today's environmental requirements. All the Company's projects are conditional on increasingly strict environmental requirements, which must comply with, among others, climate change policies and initiatives focused on reducing CO_2 emissions, reducing and efficiently managing waste and introducing circular economy systems as a lever. The Company has therefore implemented methodologies that ensure the monitoring and verification of environmental information in all its projects.

In line with its commitment to the fight against climate change and with European and Spanish environmental regulations, in 2024 the Company continued to implement the actions envisaged in the Sustainability Plan for the Environment Area in order to help protect the environment and combat climate change by developing technical solutions for its clients, and comply with the Company's Quality, Health, Safety and Environment Policy. The Company therefore audited its 2022 carbon footprint in 2023, achieving AENOR certification under the GHG Protocol and the 'Calculo' seal awarded by the Ministry for Ecological Transition and Demographic Challenge by registering its carbon footprint and presenting a rigorous emissions reduction plan.

Accordingly, Técnicas Reunidas carries out a series of annual audits aimed at improving processes and ensuring compliance with corporate environmental objectives and the Environmental Management System (ISO 14001), which in turn forms part of the Occupational Health and Safety System. In 2024 the Company performed the following audits:

- Internal audits. During the engineering phase, 8 audits were performed on 6 different projects, and during the construction management phase, 27 audits were performed, of which 9 were performed together with the Commissioning Department.

- Integrated external audit of the Environmental Management System together with the Health and Safety Management System through an accredited external certification body.

These actions are carried out to prevent possible adverse environmental impacts. In 2024 Técnicas Reunidas did not receive any environmental sanctions.

In this context, the Company is also subject to Spanish Law 7/2021, of 20 May, on climate change and the energy transition (*Ley de cambio climático y transición energética*) under which Spain is seeking to achieve net zero greenhouse gas emissions by 2050. In addition, work was carried out in 2024 on implementing Directive (EU) 2024/1760 covering the entry into force and transposition of the Sustainability Due Diligence Directive, which also amends Directive (EU) 2019/1937 and Regulation (EU) 2023/2859. This directive requires companies to establish processes to identify, prevent and remedy adverse human rights and environmental impacts that may be caused by the company itself, its subsidiaries and entities in its supply chain. The Environmental Management System certified under ISO 14001 covers the environmental portion by identifying, evaluating and monitoring actions to minimise impacts under the scope of the system.

In line with its sustainability strategy and commitment to contribute to the fulfilment of the United Nations Sustainable Development Goals (SDGs), in particular SDG 17 on partnerships for the goals, in 2021 Técnicas Reunidas joined the Spanish Group for Green Growth (GECV), an association created to promote public-private collaboration, overcome environmental challenges and promote a sustainable, circular and efficient economy. By Participative in this association, the Company collaborates with third parties and contributes to generating and disseminating experiences and knowledge necessary for sustainable development and the creation of favourable conditions to achieve a low-carbon economy.

In 2024, the Company participated in various working groups, conferences and campaigns related to climate change, public policy and the circular economy. The Company also collaborated with Forética in 2024 by forming part of its Climate Change Cluster. The meetings held in 2024 addressed issues such as climate change adaptation and shared good business practices, exploring the main levers for generating knowledge and boosting the role of the private sector in identifying climate risks and opportunities. The Company also participated virtually and closely followed the progress of COP29 in Baku.

One of the Company's strengths is the systematic identification, supervision and monitoring of environmental risks and opportunities, implementing specific mitigation measures when appropriate, both in projects and in offices.

Key environmental risks include those related to climate change (see section 15.3.2. Climate Change) in certain geographical areas where the projects are carried out, and those arising from changes in design limits or applicable law during project development.

Based on the Company's double materiality analysis and the corresponding risks and opportunities identified (see section 15.8. About the statement of non-financial information), it was determined that the impacts on the environment arise mainly from greenhouse gas emissions, energy consumption, waste generation and consumption of material. In the coming years, the material environmental aspects are expected to remain the same.

The Company's activities and the different stages of the projects carried out cause the main quantitative KPIs to fluctuate considerably, and annual comparison, both globally and by project, sometimes depends on the phase of operations. Aspects such as changes in staffing levels, the purchasing of materials at different phases of the project and the entry into the pipeline of new projects that may be awarded throughout the course of each year may influence this analysis.

Throughout 2024, Técnicas Reunidas focused its efforts on monitoring and analysing the information in detail so as to broaden and improve the scope of its activities. It should therefore be recalled that in 2020, the Company standardised the scope for calculating the statistics on the different environmental indicators, which are now calculated per million Euros of revenue, and included it in the reporting framework of the Company's financial information. In addition, in 2021 the Company set 2019 as the base year for emission reduction targets, which were validated by the SBTi.

15.3.2 Climate change

The main sources of greenhouse gases associated with the Company's activity correspond to fuel consumption for combustion equipment used to generate thermal and/or electrical energy during the construction phase, for the Company's facilities, and for vehicles during the construction phase (scope 1), electricity consumption at these complexes and the Company's offices (scope 2) and emissions corresponding to business trips made by employees (scope 3).

The changes in emissions between 2023 and 2024 were as follows:

- Scope 1: emissions have decreased by around 25% compared to 2023, due to lower fuel consumption.
- Scope 2: for emissions caused, there was a 80% increase compared to 2023 as a result of the opening of new subsidiaries abroad, whose electricity consumption has no guarantee of origin certificate, and the increase in the Company's workforce. As regards emissions avoided, since 2019 all Técnicas Reunidas offices in Spain have been consuming energy exclusively from 100% renewable sources (with certified guarantee of origin). In 2024, this consumption from renewable sources accounted for 34% of the total electricity consumed, avoiding more than 561.55 tonnes of CO_2 equivalent.

- Scope 3 (Category 6 - Travel): there has been a 28% reduction compared to 2023, due to a decrease in the number of business trips during the year, which had already decreased substantially in 2022.

Emissions generated	2023	2024
Scope 1 emissions (tCO_2eq)*	26,466.39	19,789.80
Scope 2 emissions (tCO_2eq) caused*	2,613.95**	4,711.65
Scope 2 emissions (tCO_2eq) renewable origin avoided*	607.03**	561.55
Scope 3 emissions - Category 6 - Travel (tCO_2eq)***	10,728.94	7,709.67
TOTAL	**39,809.28**	**32,211.12**

** For Scope 1 and 2, the emissions associated with the last 3 months of the year (October to December) have been estimated based on the average emissions of the first 9 months. Furthermore, the sources used to calculate the emissions were: Scope 1 (IPCC 2006), Scope 2 (Source: IEA (2023) Emission Factors) and Scope 3 Category 6 - Travel (UK Government GHG Conversion Factors for Company Reporting, 2022).*
Scope 2 emissions caused correspond to final Scope 2 emissions after discounting the emissions avoided by electricity supply with a certificate of renewable origin. The emissions avoided by the supply of electricity with a certificate of renewable origin do not count towards the total.

*** In the report for 2023, the value of the Scope 2 emissions was calculated using the emissions from October 2022 to October 2023, with 2,668.39 tCO2eq in attributable emissions and 709.17 tCO2eq in avoided emissions. For 2024, the method for estimated the value was updated so that it would be the same as for Scope 1 "emissions associated with the last 3 months of the year (October to December) estimated based on the average emissions of the first 9 months". The reason for the change is so that emissions are not allocated to a year that does not correspond to the fiscal year of the report. The change in methodology accounts for less than 1% variation.*

**** For Scope 3 Category 6 - Travel, calculations were carried out based on all emissions reported from January to December.*

Within the framework of the Sustainability Plan, Técnicas Reunidas assumed various environmental objectives, including the implementation of measures to promote energy efficiency and reduce its carbon emissions, the development of projects related to decarbonisation and circular economy plans on site and in offices.

To meet these objectives, the Company works continuously on the design and implementation of initiatives. In 2024, the following actions, included in the Company's Decarbonisation Plan, are noteworthy of mention:

- Replacement of mobile construction site generators with more efficient electric generators. In addition, maintenance activities are carried out to prolong the useful life of the equipment at the facilities and to prevent breakdowns and leaks, resulting in energy savings.
- Replacement of some company-owned or leased vehicles used by the Company with low-emission vehicles, such as hybrid or preferably electric vehicles.
- Installation of solar panels for self-consumption of electricity at one of the central offices.
- Lights replaced with more high efficiency lighting, resulting in lower consumption at the central offices.
- Installation of electric vehicle chargers at the central offices.

In addition, Técnicas Reunidas is developing its own technologies and collaborating with strategic partners in the search for new technologies, in line with the design of plants that are more resilient to climatic events. In 2024, it also continued to consolidate its hydrogen line and expand the Company's decarbonisation strategy track, in addition to the ongoing monitoring of climate policies and progress in climate change regulation.

Furthermore, the Company's emission reduction targets set for 2030 and 2040 are in line with the Paris Agreement and have been validated by the SBTi (*Science Based Target initiative*). Approval by this body of these public commitments is recognition of the measures being implemented by the Group and its sustainability performance to achieve them. In particular, the SBTi highlighted Técnicas Reunidas' technical capacity and strategy to help its clients in developing their decarbonisation plans.

After approval by the SBTi, the Global Compact wanted to recognise Técnicas Reunidas as a company involved in environmental improvement with the Forward Faster seal for Climate Action. The initiative recognises the Company's ambition in setting corporate emission reduction targets and its ability to contribute to a just transition by taking specific actions to address the social impacts of climate change mitigation and adaptation measures.

To keep all its objectives and strategies in line, the Company continuously monitors all issues related to climate change.

In terms of governance, the Company's Board is responsible for determining and approving the Company's Sustainability Policy. The Audit and Control Committee, which reports directly to the Board, is responsible for monitoring compliance with the Company's sustainability policies and rules (i) assessing and periodically reviewing the Sustainability Policy so that it fulfils its mission to promote the corporate interest and takes into account, as appropriate, the legitimate interests of other stakeholders; (ii) ensuring that the Company's practices in environmental and social matters are in line with the strategy and policy set; and (iii) monitoring and assessing the processes of relations with the various stakeholders. The Company's Audit and Control Committee is also responsible for overseeing compliance with the management and control of risks affecting the Company, including climate-related risks.

Accordingly, the day-to-day implementation and operational monitoring of the Sustainability Policy and climate issues is carried out by the Secretary of the Board, who coordinates actions between the different companies and areas of the Group.

Técnicas Reunidas considers the potential impact that climate change may have on its business, and it has developed a climate risk and opportunity matrix 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 it has participated for over a decade. In its 2024 edition, the Company obtained an overall score of "B" in the Climate Change category, having obtained the highest score ("A") in 12 of the 16 categories analysed by CDP.

Técnicas Reunidas updated its risk analysis for 2024 to assess the physical climate risks associated with its operations and value chain. As part of the update, the Group's eligible activities and own assets (corporate offices and projects executed for third parties) were reviewed.
Physical climate risks of relative importance to the Company include the physical risks of flood, cyclone, hurricane, typhoon, storm, heat stress, heat and cold waves, temperature variability or changes in wind patterns. In particular, the geographical location of certain projects in areas with extreme temperatures (e.g. the Middle East or Canada) sometimes means that working conditions and working hours need to be changed. In addition, the increase in extreme weather events in certain regions may have a significant impact on projects.

The climate scenarios considered for the analysis (SSP 2-4.5 and SSP 5-8.5) consider changes in socio-economic, demographic, radiative forcing levels and atmospheric GHG concentrations over three time horizons, in the short term (2021-2040), medium term (2041 to 2060) and long term (2080 to 2100).

To mitigate these risks, the Company has different adaptation measures in place, such as insurance policies and a Health and Safety Management System that can be extended to suppliers and subcontractors.

Similarly, the Company conducted an in-depth analysis in 2024 of the risks associated with the climate transition, looking at both potential impacts and opportunities. The scenarios used in both analyses were the International Energy Agency's Stated Policy Scenario (STEPS) and Zero Net Emissions Scenario (NZE), using 2030, 2040 and 2050 as the time horizons associated with the short-, medium- and long-term transition scenarios, respectively.

The Company identified, among others, the following transition risks to its own operations and value chain as being material: increased material procurement costs due to shortages or lack of supply, regulatory constraints and changes affecting both own operations and the value chain, high investment costs in the adoption of new technologies and reduced revenue due to changes in demand for certain services.

However, the Company is well positioned in the area of climate change opportunities as a result of its leadership on climate change and the diversification of its activities, especially in fields related to decarbonisation, accessing new markets through track and consolidating low-carbon services.

This allows the Company to benefit from the opportunities that will arise from increased regulatory pressure on environmental issues.

15.3.2.1. Information relating to EU Taxonomy

a) Introduction

The EU Taxonomy aims to achieve the targets related to net zero greenhouse gas emissions (GHG) by 2050, set by the EU as part of the European Commission's Green Deal Action Plan, and by redirecting capital flows towards a more sustainable economy.

The Taxonomy Regulation[2] (Regulation 2020/852) is therefore being promoted, which proposes a classification system for environmentally sustainable economic activities throughout the EU. A common framework has therefore been established based on the agreement of experts and scientists in which companies, investors and policy makers can identify economic activities that have a substantial positive impact on the climate and the environment. Consequently, it also introduces obligations regarding transparency of the information disclosure to interested parties[3].

Delegated Regulation 2021/2139[4], enacted on 4 June 2021, contains an initial list of eligible economic activities in relation to climate change mitigation and adaptation objectives, and a set of technical screening criteria for determining how these activities align with the Taxonomy, which is later supplemented through a Supplementary Delegated Act that introduces activities related to gas and nuclear energy[5]. This Regulation was further extended on 27 June 2023 with the entry into force of Delegated Regulation (EU) 2023/2485[6], by incorporating new activities with the potential to contribute substantially to climate change mitigation and adaptation objectives, and a timely revision of some of the technical screening criteria for certain activities already defined in Delegated Regulation 2021/2139, in relation to those climate objectives.

In addition, Delegated Regulation (EU) 2023/2486 was published on 27 June[7], establishing the list of activities and their technical screening criteria that substantially contribute to the other targets set by the EU: sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

The framework for disclosing the qualitative and quantitative information relating to the EU Taxonomy is set out in Delegated Regulation 2021/2178, along with the different types of companies to which it applies, including companies subject to the obligation to publish statements of non-financial information in accordance with Articles 19 bis and 29 bis of Directive 2013/34.

In accordance with Article 8 of Regulation 2020/852, Técnicas Reunidas includes information related to the analysis of taxonomy-eligible, aligned and non-eligible activities in this section of the Statement of Non-Financial Information, which are disclosed through indicators in terms of turnover, investments in fixed assets (CapEx) and operating expenditure (OpEx). These indicators have been obtained at a consolidated level, i.e. at the Técnicas Reunidas Group level.

[2] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.
[3] Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19 bis or 29 bis of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.
[4] Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.
[5] Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.
[6] Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives.
[7] Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

In accordance with that set out in the taxonomy regulations, an **eligible economic activity** is any activity that complies with the description set out in the regulation, which includes activities that substantially contribute to one or more environmental objectives, regardless of whether the activity complies with any of the technical criteria established in the regulation.

Eligible activities will also be **taxonomy-aligned economic activities** if they also meet the following conditions in accordance with Article 3 of the Taxonomy Regulation:

- Meets the criteria for substantial contribution to one or more environmental objectives.
- Does no significant harm to any of the environmental objectives.
- Is carried out in compliance with the minimum safeguards.

Those activities that are not comparable to any of those described in the taxonomy regulations will be considered taxonomy-non-eligible economic activities[8].

Técnicas Reunidas, as a non-financial company, first disclosed the KPIs related to **eligibility** and **alignment** of its taxonomy activities in **2022**, as established by Delegated Regulation 2021/2139 and Delegated Regulation 2022/1214. For **2023**, the Company analysed the updates implemented in Delegated Regulation (EU) 2023/2485 and disclosed the **eligibility** study in relation to the new activities included in Delegated Regulation 2023/2486, in accordance with the reporting indications stipulated in the regulation.

Therefore, and in accordance with these indications in the regulation, the information reported for **2024** will include the **alignment** analysis in relation to the new activities included in Delegated Regulation 2023/2485 and Delegated Regulation 2023/2486 in reference to the total calculation for the environmental objectives.

b) The activity of Técnicas Reunidas

Técnicas Reunidas (TR) is a business group that specialises in providing engineering and construction services for industrial plants producing clean fuels, natural gas and chemicals. The Group offers its clients a variety of solutions related to the transition to cleaner energy, the circular economy and reducing carbon emissions, such as renewable hydrogen, biofuels, waste recovery, and CO2 capture and storage.

The activities carried out by the Group can therefore be categorised as eligible given the high potential of the projects carried out by Técnicas Reunidas to contribute significantly to climate change mitigation. Within this framework, the Group is working on several projects related to the energy transition, whose impact on the taxonomy indicators of turnover, operating expenditure (OpEx) and capital expenditure (CapEx) will gradually become apparent in the coming years as these projects acquire greater weight in the Técnicas Reunidas portfolio.

1. Eligibility

An exhaustive analysis was first performed on the types of projects carried out by the Group to identify those activities of Técnicas Reunidas that were linked to the taxonomy and potentially eligible. The eligibility of these activities was confirmed by cross-checking the definitions in Delegated Regulation 2021/2139, Delegated Regulation (EU) 2022/1214, Delegated Regulation 2023/2485 and Delegated Regulation 2023/2486, where the following activities are considered to be **eligible** for the objectives of climate change mitigation, transition to a circular economy and pollution prevention and control:

Table 1. TR's economic activities analysed in accordance with the environmental taxonomy

Economic activity in accordance with the Taxonomy	Description of the activity	Eligibility	Alignment
CCM 1.1 Afforestation	Projects to plant trees on land where no vegetation was initially found, which may include tasks such as the provision of detailed design and landscaping, tree transfer and seed planting, excavation, fertilisation, filling and complete irrigation	✓	×

[8] Given the complexity of this classification system, the EU taxonomy is in progress; the regulations on the technical criteria for climate change mitigation and adaptation objectives have currently been published. However, the remaining four objectives covered by the taxonomy are in draft form. Furthermore, it should be noted that, in its current configuration, the taxonomy does not consider all economic activities.

Economic activity in accordance with the Taxonomy	Description of the activity	Eligibility	Alignment
	system.		
CCM 3.2 Manufacture of equipment for the production and use of hydrogen	Projects for designing facilities for green H_2 production, developed by the Energy Transition area[9]	✓	✗
CCM 3.6 Manufacture of other low carbon technologies	Projects for designing facilities that produce biofuel fertilisers and other compounds from green ammonia, and that capture CO_2, developed for the Energy Transition Area [10]	✓	✗
CCM 4.25 Production of heat/cool using waste heat	Construction and assembly projects for shell and tube heat exchangers, waste heat recovery boilers, air coolers and cooling towers	✓	✓
CCM 4.29 Electricity generation from fossil gaseous fuels	Projects for the construction or operation of electricity generation facilities from fossil gaseous fuels (natural gas)	✓	✗
CCM 5.3. Construction, extension and operation of wastewater collection and treatment	Projects for the construction of networks of oily effluent collection collectors and associated treatment plants. Urban wastewater treatment projects.	✓	✓
CCM 5.11. Transport of CO_2	Projects for pipelines designed to transport CO_2, for subsequent underground injection	✓	✗
CCM 6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities	Modular maritime transport activities	✓	✗
CCM 7.1. Construction of new buildings	Building construction projects	✓	✗
CCM 7.2 Renovation of existing buildings	Building renovation projects	✓	✗
CCM 9.1 Close to market research, development and innovation	Implementation of applied research projects in the area of Energy Transition.	✓	✗

Table 2. TR's economic activities analysed in accordance with the environmental taxonomy (Circular economy)

Economic activity in accordance with the Taxonomy	Description of the activity	Eligibility	Alignment
CE 2.4. Treatment of hazardous waste	Projects to recover gases that normally go to the flaring, thanks to which chemical products are extracted that are then reintroduced into the customer's production process, without being used as fuel.	✓	✗
CE 3.1. Construction of new buildings	Building construction projects (to be assessed together with activity CCM 7.1.)	✓	✗
CE 3.2. Renovation of existing	Building renovation projects (to be assessed	✓	✗

[9] Técnicas Reunidas designs and assembles green H_2 production facilities, however, it does not manufacture the equipment and its activity, insofar as the Company designs and assembles the equipment, is essential for performing eligible activity 3.2. For this reason, and also considering the FAQs documents published by the European Commission on Taxonomy regulation, this activity is considered eligible.

[10] See footnote above, ammonia production requires the production of green hydrogen.

Economic activity in accordance with the Taxonomy	Description of the activity	Eligibility	Alignment
buildings	together with activity CCM 7.2.)		
CE 4.1. Provision of IT/TO data-driven solutions	TR has monitoring system that are combined with other systems that provide essential data for the proper functioning of the equipment, for example, systems that detect abnormal values and efficiency losses in the processes, thus detecting possible malfunctions of the equipment and enabling the necessary measures to be taken to address these malfunctions. TR also has several automation systems in place along with a corrosion monitoring system. This system has preventative and predictive maintenance features to make appropriate maintenance decisions, since it prevents possible failures early on, and raises the possibility of implementing adjustment and degradation control measures. Therefore, the useful life of the equipment is extended further by reducing this rate of degradation.	✓	✓

Table 3. TR's economic activities analysed in accordance with the environmental taxonomy (Pollution prevention and control)

Economic activity in accordance with the Taxonomy	Description of the activity	Eligibility	Alignment
PPC 2.2. Treatment of hazardous waste	Projects for the construction of condensate treatment systems	✓	✓

Legend

✓	Eligible or aligned (according to column)
✓	Partially eligible or aligned (according to column)
×	Not eligible or not aligned (according to column)

It should be noted that the eligibility analysis for 2024 did not identify any taxonomy activities linked to the objectives of the protection of water and marine resources or the protection and restoration of biodiversity and ecosystems attributable to Técnicas Reunidas' business activities.

Finally, in relation to the climate change adaptation objective, no specific measures aimed at increasing the resilience of the Group's projects to the physical effects of climate change were identified in 2024 and, therefore, no activity is reported as eligible under the climate change adaptation objective.

2. Alignment

Once the eligible economic activities are identified as indicated in the previous point, compliance with the technical screening criteria is analysed in terms of substantial contribution to one or more environmental objectives, causing no significant harm to the other environmental objectives and compliance with minimum safeguards.

While this analysis was performed in 2023 for activities related to the climate change mitigation objective, under the applicable regulations, the same procedure will be carried out for activities eligible under the circular economy and pollution prevention and control objectives.

The details of this analysis are set out below.

i. Criteria for substantial contribution to environmental objectives

The first criterion requires that the economic activity **makes a substantial contribution to one or more of the environmental objectives**. The technical characteristics of each activity[11] have therefore been analysed to determine whether it complies with the criteria for substantial contribution to climate change mitigation specified in Delegated Regulation 2021/2139 and Delegated Regulation 2022/1214, or the criteria for substantial contribution to the transition to a circular economy and pollution prevention and control specified in Delegated Regulation (EU) 2023/2486, respectively and for each of the cases.

These substantial contribution criteria were assessed for each of the eligible activities listed in the tables shown in the previous section on “Eligibility”. Following this assessment, Técnicas Reunidas gathered and managed the information necessary to demonstrate the substantial contribution of the taxonomy activities: CCM 4.25 “Production of heat/cool using waste heat”[12], CE 4.1 “Provision of IT/TO data-driven solutions”, PPC 2.2 “Treatment of hazardous waste”, and, at certain facilities, of the taxonomy activity: CCM 5.3 “Construction, extension and operation of waste water collection and treatment”. The main methodological considerations of this assessment are presented below:

- In relation to activity CCM 5.3 “Construction, extension and operation of wastewater collection and treatment”: the substantial contribution criteria established by the Taxonomy have been re-expressed in terms of COD (Chemical Oxygen Demand), as this pollutant is the most characteristic one in the effluents of most of the facilities in which TR carries out its activity. In this way, the net energy consumption limits established by the Taxonomy (re-expressed in terms of COD) were contrasted with the energy consumption recorded in the eligible treatment plants.
- In relation to activity PPC 2.2 “Treatment of hazardous waste”, the treatment system is considered to meet the criteria for substantial contribution as a result of the water purification process to be carried out to reintegrate the flow into the plant processes.
- In relation to activity CE 4.1 “Provision of IT/OT data-driven solutions”, the system was assessed as complying with points ‘a’ and ‘c’ of paragraph 2 on the criteria for substantial contribution[13]. In addition, the degree of circularity of the equipment used was also assessed, studying characteristics such as durability, recyclability, easy disassembly and adaptability.

Furthermore, in relation to activity 4.29. ‘Electricity generation from fossil gaseous fuels’, the substantial contribution criteria required by the Taxonomy were assessed, concluding that none of the projects meet the established criteria.

For the remaining activities of the Taxonomy for the climate change mitigation objective (with codes CCM 1.1., CCM 3.2., CCM 3.6., CCM 5.11., CCM 6.10., CCM 7.1., CCM 7.2. and CCM 9.1.) and the circular economy objective (with codes CE 2.4, CE 3.1 and CE 3.2), although it is likely that all of these activities may provide a substantial contribution, in certain cases, the decision was made not to choose not to carry out the assessment using the substantial contribution criteria applicable due to a lack of available information to test this type of criteria. TR will continue to work in subsequent years to gather the necessary information and effectively assess compliance with the substantial contribution criteria for this group of eligible activities.

ii. Does no significant harm to any of the environmental objectives

The second criterion requires that the economic activity **does no significant harm to any of the other environmental objectives** (DNSH).

Técnicas Reunidas analysed the degree of compliance with the following criteria:

- In relation to compliance with DNSH criteria relating to climate change adaptation, Técnicas Reunidas has shown that it meets the criteria for all its operations and, by demonstrating its compliance at the corporate level, it was determined that all potentially taxonomy-aligned activities met the criteria.
- For economic activities where TR could demonstrate a substantial contribution to climate change

[11] Only those projects in which Técnicas Reunidas exercises effective control over the project are analysed for compliance with the technical criteria.
[12] Activity 4.25 does not itself meet the criteria for substantial contribution (its criterion for substantial contribution coincides with the description of the activity).
[13] These points are as follows: “(a) alerting the user to abnormal sensor values, and assessing the status of the product, equipment, or infrastructure, detecting wear and tear or electrical issues, and drawing conclusions about the exact nature of abnormal operating conditions by means of advanced analytical methods; (c) predicting an upcoming product, equipment or infrastructure failure and recommending measures to prevent such failure;”

mitigation, the circular economy, and pollution control and prevention, the compliance with the respective DNSH criteria in relation to the other four remaining environmental objectives was analysed in more detail.

The analysis for each of the two points above is set out below:

- **Compliance with DNSH criteria relating to climate change adaptation**

In 2024, Técnicas Reunidas assessed the physical climate risks in accordance with Appendix A of Annex I on Mitigation of the European Taxonomy to assess compliance with DNSH relating to climate change adaptation.

This assessment took into consideration the Group's eligible activities to determine the physical climate risks that may have an impact on the performance of economic activity over their expected duration, including all of TR's assets (corporate offices and projects executed for third parties) in the different countries in which it has a direct presence.

The physical climate risks identified were assessed over three time horizons: short (2023-2040), medium (2041-2060) and long term (2081-2100), with the analysis incorporating two climate scenarios (RCP 4.5 and 8.5).

As a result of the analysis performed, it was determined that the risks associated with the hazards of cyclone, hurricane and typhoon, and those associated with heat stress, are material for Técnicas Reunidas in the projects executed for third parties. Furthermore, the results of the analysis determined that no identified risk would be material for the offices of Técnicas Reunidas.

TR has various measures that ensure the mitigation of the impacts arising from the potential risks identified, such as:

- All-risk policies for all its projects (construction and assembly) covering the potential damage to the facilities;
- Environmental and third-party liability policy for potential damage in the environment as a result of climate events;
- Reduced working hours in months of high temperatures;
- Health and Safety Management System extended to its suppliers and subcontractors.

- **Compliance with DNSH criteria relating to environmental objectives**

For this set of DNSH criteria, Técnicas Reunidas analysed the characteristics of the taxonomy activities once their substantial contribution was demonstrated:

- In relation to activity 4.25 'Production of heat/cool using waste heat', all this equipment is dimensioned by TR using specific software, which guarantees the highest levels of quality and maximum efficiency of the system in terms of heat transmission. Therefore, TR complies in all cases with the DNSH criterion established for the case of 'Pollution prevention and control'.
- In relation to activity CCM 5.3. 'Construction, extension and operation of wastewater collection and treatment,' TR assessed, where applicable, the waste water discharge parameters, ensuring lower levels of COD than those established by regulation.
- In relation to activity PPC 2.2. "Treatment of hazardous waste", the treatment system is not considered to have an impact on surface water and groundwater, as it is a closed-loop system controlled by the plant's monitoring systems.
- In relation to activity CE 4.1. "Provision of IT/TO data-driven solutions", it has been verified that the equipment installed meets the requirements of the CE marking and the RoHS Directive.

In addition, TR carried out an EIA (Environmental Impact Assessment) of the facility for all its engineering projects, including those corresponding to the activities already analysed for which the DNSH assessment of "Protection and restoration of biodiversity and ecosystems" is applicable (codes: CCM 4.25, CCM 5.3 and CE 4.1)

iii. <u>Compliance with minimum safeguards</u>

The third requirement involves demonstrating that the economic activity is conducted in compliance with the **minimum safeguards** (MS). These safeguards cover all procedures established by the Company to ensure that its operations comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. They also include the principles and rights of the eight fundamental conventions mentioned in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, and the International Bill of Human Rights (in accordance with Article 18 of Regulation 2020/852).

To assess compliance with these minimum safeguards, Técnicas Reunidas has used as a basis the Final Report on Minimum Safeguards published by the European Commission in October 2022, analysing the four key areas: human rights (including labour rights), corruption and bribery, taxation and fair competition.

Técnicas Reunidas has internal policies and procedures approved by the Board, which form part of its regulatory framework and establish the principles and guidelines to ensure that its activities are in line with the highest standards of responsible conduct.

As a general framework for action, Técnicas Reunidas has a **Corporate Code of Conduct** that reflects its commitment to high ethical standards, establishing the principles and values to be followed by all its employees. This code covers the general principles related to human rights, free competition, rejection of child and forced labour, and anti-money laundering and countering the financing of terrorism In addition, **training** is provided to ensure the integrity of employees. The Group also has a **Supply Chain Code of Ethics**[14], which reinforces integrity in this area. Técnicas Reunidas has been a signatory to the United Nations **Global Compact** since 2011.

In addition to these preventive measures, Técnicas Reunidas has a **whistleblower channel** that complies with the highest standards of confidentiality and respects the European Directive on whistleblower protection[15]. This channel allows employees, third parties or any interested party to report potential breaches or irregularities within the Group or acts that may constitute breaches of the law or internal regulations.

The specific measures that Técnicas Reunidas has implemented for each block of minimum safeguards are detailed below.

- **Human rights (including labour and consumer rights)[16].**

  Técnicas Reunidas established a **Human Rights Due Diligence procedure** in 2023 that makes it easier to identify and manage adverse impacts that may arise both in its own operations and throughout its value chain.

  This procedure allows the Group to identify those areas that require the most attention as regards human rights: occupational safety and health; slavery; torture and inhuman treatment; child labour; freedom and equality (of opportunity and treatment); discrimination; the right to choose to marry and found a family; freedom of thought and religion; and freedom of opinion and expression. For each of these relevant issues, Técnicas Reunidas has various mitigation mechanisms that ensure the prevention and mitigation of possible adverse impacts.

  In addition to this procedure, a Human Rights Policy has also been drawn up and approved by the Board in November 2023, which reaffirms the Group's commitment to respect for human rights in all its activities and those of its subsidiaries throughout its value chain.

- **Fight against corruption and bribery**[17]

  The Group has a **Criminal Compliance Management System** (CCMS) that is certified in accordance with **UNE 19601** and is supplemented by several integrity policies. In addition, it has an **Anti-Corruption Policy** and provides specific training on the prevention of corruption and bribery. This training is mainly aimed at the management team and staff who are particularly exposed due to their key roles in the Group's decision-making process.

- **Responsible taxation**[18]

  The Group has a presence in many countries and, aware of its tax responsibilities and the complexity of its operations, has an **Internal Tax Risk Manual** that is monitored by the tax compliance body, which reports to the Board. In addition, it has a **Tax Model aligned with the OECD's BEPS criteria** regarding taxation. During the bidding phase, tax strategies are developed with local advisors to reduce risks, including in markets where the Group typically operates. The Group has a Tax Compliance Management System that is certified in accordance with UNE 19602.

[14] For more information, see section 15.7.3 Subcontracting and suppliers.
[15] For more information, see section 15.5. Information on respect for human rights.
[16] For more information, see section 15.5. Information on respect for human rights.
[17] For more information, see section 15.6. Information related to the fight against corruption and bribery.
[18] For more information, see section 15.7.5 Tax information.

- **Fair competition**

  To strengthen the Criminal Compliance Management System (CCMS) and as part of developing the principles of the Code of Conduct, the Group has implemented a mandatory **Anti-trust Policy** that is applicable globally. This policy establishes guidelines to ensure compliance with competition or anti-trust laws in the markets. In addition, the compliance training offered to Técnicas Reunidas' senior executives includes issues related to competition.

c) Taxonomy KPIs and accounting policy

The next section presents the main turnover, CapEx and OpEx KPIs in terms of eligibility and alignment, prepared and reported in accordance with the regulations in force for 2024. The accounting policy applied in each case is also specified.

1. Turnover

As defined in Delegated Regulation 2021/2178, the turnover KPI is calculated as the proportion of revenue associated with taxonomy-eligible activities and taxonomy-aligned activities (numerators) divided by total consolidated revenue at group level (denominator). This revenue is recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), pursuant to Commission Regulation (EC) No 1126/2008. Total revenue, i.e., the denominator of the turnover KPI is detailed in the notes to the 2024 financial statements (Note 22 "Revenue and other operating income", and "Total revenue"). A summary of the main turnover KPIs for 2024 and their comparison with 2023 is provided below.

Table: Comparison of turnover KPIs for 2023 and 2024.

	Total turnover (A+B) - thousands of Euros		Total eligible economic activities (A1+A2)		Taxonomy-aligned economic activities (A1)	
	2023	2024	2023	2024	2023	2024
Revenue	4,135,152	4,451,446	22.39%	26.37%	4.62%	9.03%

To calculate the turnover numerator, the Group's projects that generated revenue in 2024 are first analysed. The activities carried out for each project are broken down to identify those that meet the eligibility criteria established by the Taxonomy. Each project and its activities are assessed individually to avoid double counting the information.

The costs arising from eligible activities are identified below. These costs include both **direct costs**, associated with purchase orders for equipment related to the eligible activity and subcontracting costs for the execution of work for fine-tuning industrial processes linked to eligible activities, and **indirect costs** that, although not earmarked for a specific eligible activity, contribute to the development of these eligible activities. A specific allocation criterion is established for each indirect cost item.

Finally, the cost linked to eligible activities in 2024 is calculated by multiplying the cost of the activity by the stage of completion of the project during the current year in accordance with the revenue allocation models of the projects in the Group's consolidated financial statements. Subsequently, the profitability assigned to the project at year-end is added to determine the sales accrued by the eligible activities, which is then used as the numerator of the eligibility KPI (categorised as 'A1+A2' in the table required by the taxonomy regulation).

To obtain the second revenue numerator relating to aligned activities (or "environmentally sustainable activities, A.1" according to the nomenclature of the taxonomy calculation table), those activities that meet all the technical screening criteria and minimum safeguards must be identified. Revenue is calculated in the same way as for eligible activities. Therefore, the numerator of eligible but not environmentally sustainable activities (categorised as 'A.2') is obtained by subtracting the numerator of the aligned activities from the total revenue of the eligible activities.

The proportion of TR turnover associated with aligned and eligible non-aligned activities, following the format provided in Annex V of Delegated Regulation 2023/2486, is included in the table below.

As a result of the calculations performed, 26.37% of the Group's turnover in 2024 is eligible, and 9.03% of the Group's turnover in 2024 is aligned. In addition, the proportion of eligible turnover in 2023, as reported in the previous year[19], was 22.39% (which means that in 2024 this KPI increased by +18% compared to 2023), and aligned turnover was 4.62% (which means that in 2024 this KPI increased by 95% compared to 2023). The increase

[19] *In 2023 only eligibility information was reported for the new activities included in Delegated Regulations 2023/2485 and 2023/2486, in contrast to 2024, where eligibility and alignment information is reported for these Delegated Regulations.*

in the eligibility KPI is mainly due to the increased importance for the Company of projects involved the energy transition, which in particular is reflected in an increase in the eligibility figure for activity CCM 3.6 “Manufacture of other low carbon technologies”. Furthermore, the increase in the alignment KPI is mainly the result of including the activity linked to the circular economy objective as an aligned activity: CE 4.1. “Provision of IT/OT data-driven solutions”, which was only categorised as eligible in 2023, but the assessment showed that it was an aligned activity in 2024[20].

[20] *In accordance with Delegated Regulation 2023/2486.*

Template: Proportion of turnover from products or services associated with taxonomy-aligned economic activities — disclosure covering 2024 (Regulation 2021/2178)

Financial year 2024	Year			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	Turnover (thousands of Euros)	Proportion of turnover, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy aligned (A.1.) or eligible (A.2.) turnover, 2023	Category enabling activity	Category transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Production of heat/cool using waste heat	CCM 4.25.	211,339	4.75%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3.65%		
Construction, extension and operation of wastewater collection and treatment	CCM 5.3.	33,131	0.74%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.96%		
Treatment of hazardous waste	PPC 2.2.	13,139	0.30%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00%		
Provision of IT/TO data-driven solutions	CE 4.1.	144,389	3.24%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned)		**401,999**	**9.03%**	**5.49%**	**0.00%**	**0.00%**	**0.30%**	**3.24%**	**0.00%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**4.62%**		
Of which: enabling		144,389	3.24%	0.00%	0.00%	0.00%	0.00%	3.24%	0.00%	Y	Y	Y	Y	Y	Y	Y	0.00%	E	
Of which: transitional		0	0.00%	0.00%						Y	Y	Y	Y	Y	Y	Y	0.00%		T

A.2. Taxonomy-eligible activities but not environmentally sustainable (not Taxonomy-aligned activities)												
Afforestation	CCM 1.1.	692	0.02%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0.00%	[redacted]
Manufacture of equipment for the production and use of hydrogen	CCM 3.2.	2,042	0.05%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0.06%	[redacted]
Manufacture of other low carbon technologies	CCM 3.6.	105,130	2.36%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0.13%	[redacted]
Electricity generation from fossil gaseous fuels	CCM 4.29.	466,540	10.48%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	11.18%	[redacted]
Construction, extension and operation of wastewater collection and treatment	CCM 5.3.	9,226	0.21%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0.08%	[redacted]
Transport of CO2	CCM 5.11.	8,283	0.19%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0.20%	[redacted]
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10.	8,097	0.18%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0.21%	[redacted]
Construction of new buildings	**CCM 7.1.** / CE 3.1.	47,411	1.07%	**EL**	N/EL	N/EL	N/EL	EL	N/EL	[redacted]	0.63%	[redacted]
Renovation of existing buildings	**CCM 7.2.**/ CE 3.2.	4	0.00%	**EL**	N/EL	N/EL	N/EL	EL	N/EL	[redacted]	0.00%	[redacted]
Close to market research, development and innovation	CCM 9.1.	968	0.02%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0.07%	[redacted]
Treatment of hazardous waste	CE 2.4.	1	0.00%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	[redacted]	0.00%	[redacted]
Provision of IT/TO data-driven solutions	CE 4.1.	123,660	2.78%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	[redacted]	5.21%	[redacted]
Turnover of taxonomy-eligible activities but not environmentally sustainable (not Taxonomy-aligned activities) (A.2)		**772,053**	**17.34%**	**14.57%**	**0.00%**	**0.00%**	**0.00%**	**2.78%**	**0.00%**	[redacted]	17.77%	[redacted]
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**1,174,052**	**26.37%**	**20.06%**	**0.00%**	**0.00%**	**0.30%**	**6.02%**	**0.00%**	[redacted]	22.39%	[redacted]
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES												
Turnover of Taxonomy-non-eligible activities (B)		3,277,394	73.63%									
TOTAL		**4,451,446**	**100%**									

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	5.49%	20.06%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	3.24%	7.09%
PPC	0.30%	0.30%
BIO	0.00%	0.00%

2. CapEx.

The taxonomy CapEx indicator is calculated as the proportion of fixed assets invested in taxonomy-aligned economic activities and taxonomy-eligible economic activities that do not meet technical screening criteria (numerator) as regards the total assets acquired in 2024 (denominator).

The denominator (total CapEx) is defined as the additions to tangible and intangible assets before depreciation, amortisation, revaluations and impairments, excluding changes in fair value.

Total CapEx therefore comprises the costs recognised in accordance with:

a) IAS 16 Property, Plant and Equipment, paragraph 73 (e) (i) and (iii);
b) IAS 38 Intangible Assets, paragraph 118 (e), point (i);
c) IAS 40 Investment Property, paragraph 76, points (a) and (b) (for the fair value model);
d) IAS 40 Investment Property, paragraph 79 (d), points (i) and (ii) (for the cost model);
e) IAS 41 Agriculture, paragraphs 50 (b) and (e);
f) IFRS 16 Leases, paragraph 53, point (h).

In accordance with Técnicas Reunidas' consolidated financial statements, total CapEx is detailed in Note 6 “Property, plant and equipment”, Note 7 “Intangible assets” and Note 8 “Rights of use on leased assets” in the notes to the consolidated financial statements for 2024, in the row corresponding to “increases”.

Técnicas Reunidas' business model, which mainly focuses on providing its clients with engineering services, implies lower CapEx additions compared to turnover or total expenses. Furthermore, the Group's assets related to the projects mentioned in the section referring to the turnover KPI are not allocated to eligible activities (and therefore are also not Taxonomy-aligned activities), but rather are of a more corporate, interdepartmental or sector-specific nature not covered by the Taxonomy (for example, additions associated with long-term office leases, R&D activities not related to reductions in GHG emissions or the development of solutions for the aerospace industry). Therefore, a conservative approach has been adopted, and these items are not considered in the calculation of the numerator of the CapEx indicator. In addition, an exercise has been carried out to identify other CapEx items that could be eligible, such as those related to energy efficiency and the installation of renewable energy systems in buildings, and no relevant CapEx additions were found in this respect. All this implies that the proportion of Taxonomy-eligible CapEx is close to 0%; and, therefore, the proportion of Taxonomy-adjusted CapEx would also be 0%.

Template: Proportion of CapEx from products or services associated with taxonomy-aligned economic activities — disclosure covering 2024 (Regulation 2021/2178)[21]

Financial year 2024	**Year**			**Substantial contribution criteria**						**DNSH criteria ('Does Not Significantly Harm')**									
Economic activities	**Code**	**CapEx (Euros, thousands, or millions)**	**Proportion of CapEx, 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change**	**Climate change**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of taxonomy aligned (A.1.) or eligible (A.2.) CapEx, 2023**	**Category enabling activity**	**Category transitional activity**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0*	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	0.00%		
Of which: enabling		0*	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	0.00%	E	
Of which: transitional		0*	0.00%	0.00%						Y	Y	Y	Y	Y	Y	Y	0.00%		T
A.2. Taxonomy-eligible activities but not environmentally sustainable (not Taxonomy-aligned activities)																			
CapEx of taxonomy-eligible activities but not environmentally sustainable (not Taxonomy-aligned activities) (A.2)		0*	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		

[21] *All the investments (CapEx) made by TR are either of a transversal nature (corporate) or specific to a sector not included in the Taxonomy. Based on TR's business model, the CapEx of eligible activities is not considered significant for the Company (marked as '0*').*

A. CapEx of Taxonomy-eligible activities (A.1+A.2)		0*	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES												
CapEx of Taxonomy-non-eligible activities (B)		76,239	100%									
TOTAL		**76,239**	**100%**									

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.00%	0.00%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

3. OpEx.

The OpEx KPI is determined as the proportion of taxonomy-adjusted OpEx and the proportion of taxonomy-eligible OpEx that does not meet technical screening criteria (numerator) divided by total taxonomy OpEx (denominator).

The denominator is limited to direct non-capitalised operating costs related to research and development, building renovation, short-term leases, maintenance and repairs, and other direct expenses associated with the day-to-day maintenance of property, plant and equipment, whether by the company or a third party subcontractor, which are necessary to ensure the continued and effective operation of these assets. The first numerator would include the operating expenses of the denominator for eligible activities that meet the technical screening criteria set out by the regulations and the minimum safeguards (related to alignment). The second numerator would cover operating expenses of the denominator for eligible activities that do not meet these technical screening criteria.

In the case of Técnicas Reunidas, the direct non-capitalised costs recognised by the European taxonomy, i.e. those included in the denominator, represented less than 5% of the Group’s total operating expenses in 2024 (see Table 2) as in 2023. Therefore, their value is considered non-material and, in accordance with section 1.1.3.2 of Annex I of the Delegated Regulation 2021/2178, the numerator of the OpEx KPI is reported as zero. Also, in compliance with this Delegated Regulation, the denominator of this indicator is shown in the following table:

Table 2 - Proportion of the Company’s OpEx out of total OpEx under EU Taxonomy

	Total (kEUR)	Proportion of total OpEx (%)
Non-capitalised expenses[22]	4,247,894	
Non-capitalised expenses covered under the Taxonomy (indicator denominator)	77,846	**1.83%**

However, it should be noted that Técnicas Reunidas is committed to corporate initiatives to reduce the Group’s GHG emissions. These initiatives involve certain expenses that are not included in the definition of OpEx under the EU Taxonomy regulation, such as the use of carbon footprint management or remote technical assistance tools to reduce the trips made by its employees.

Técnicas Reunidas closely monitors any changes in the Taxonomy regulation and carries out various activities that support the development of sustainability policies, the fight against climate change and decarbonisation, also in countries outside the European Union, where its main clients are located. This is carried out in line with international best practices, by improving local regulatory requirements and being pioneers in contributing to the energy transition and sustainable development through its activities.

[22] *Non-capitalised expenses include procurement and other operating expenses (see Note 23 to the consolidated financial statements), employee benefits expenses (Note 24), and lease and royalty expenses.*

Template: Proportion of OpEx from products or services associated with taxonomy-aligned economic activities — disclosure covering 2024 (Regulation 2021/2178)

Financial year 2024	Year			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	**Code**	**OpEx (millions of Euros)**	**Proportion of OpEx, 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of taxonomy aligned (A.1.) or eligible (A.2.) OpEx, 2023**	**Category enabling activity**	**Category transitional activity**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	**-**	**-**	**-**	**-**	**-**	**-**	**-**	N/A		
Of which: enabling		0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	N/A	E	
Of which: transitional		0	0.00%	0.00%						-	-	-	-	-	-	-	N/A		T

A.2. Taxonomy-eligible activities but not environmentally sustainable (not Taxonomy-aligned activities)												
OpEx of taxonomy-eligible activities but not environmentally sustainable (not Taxonomy-aligned activities) (A.2)		0	0.00 %	0.0 0%	0.0 0%	0.0 0%	0.0 0%	0.0 0%	0.0 0%		N/A	
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		0	0.00 %	0.0 0%	0.0 0%	0.0 0%	0.0 0%	0.0 0%	0.0 0%		N/A	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES												
OpEx of Taxonomy-non-eligible activities (B)		77,846	100 %									
TOTAL		77,846	100 %									

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.00%	0.00%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Template 1 Nuclear and fossil gas related activities (Delegated Regulation 2022/1214)

Row	**Nuclear energy related activities**	
1.	The company carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The company carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The company carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The company carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5.	The company carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The company carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Template 2 Taxonomy-aligned economic activities (denominator) (Delegated Regulation 2022/1214)[23]

Row	Economic activities	Revenues (thousands of Euros)					
		(CCM + CCA)		Climate change management		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**401,999**	**9.03%**	**401,999**	**9.03%**	-	-
8.	**Total applicable KPI**	**4,451,446**	**100%**	**4,451,446**	**100%**	-	-

[23] The following tables only report data on since the CapEx associated with natural gas activities is equal to zero, and the OpEx is immaterial for the Group.

Template 3 Taxonomy-aligned economic activities (numerator) (Delegated Regulation 2022/1214)

Row	Economic activities	Revenues (thousands of Euros)					
		(CCM + CCA)		Climate change management		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**401,999**	**100%**	**401,999**	**100%**	-	-
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**401,999**	**100%**	**401,999**	**100%**	-	-

Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities (Delegated Regulation 2022/1214)

Row	Economic activities	Revenues (thousands of Euros)					
		(CCM + CCA)		Climate change management		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	466,540	60.43%	466,540	60.43%	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**305,513**	**39.57%**	**305,513**	**39.57%**	-	-
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**772,053**	**100%**	**772,053**	**100%**	-	-

Template 5. Taxonomy non-eligible economic activities (Delegated Regulation 2022/1214)

Row	Economic activities	Revenues (thousands of Euros)					
		(CCM + CCA)		Climate change management		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	-	-
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**3,277,394**	**100%**	**3,277,394**	**100%**	-	-
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**3,277,394**	**100%**	**3,277,394**	**100%**	-	-

15.3.3 Circular economy and waste prevention and management

In 2024 Técnicas Reunidas continued to implement an environmental strategy based on circular economy principles to minimise the potential impacts of its activities.

Within the framework of the Sustainability Policy and Plan, the Company has a circular economy strategy applicable to both offices and projects that establishes the main lines of action and include the actions carried out, and new objectives in this area. This strategy has three pillars: optimisation of consumption, use of recycled materials and correct management of waste to promote its conversion into raw materials.

As regards the initiatives carried out at the offices, the Group encourages awareness-raising campaigns aimed at the entire workforce and carries out waste segregation and recycles various materials and water. In 2024, the following actions in particular stand out:

- Deployment of the circular economy strategy within the framework of the Company's Sustainability Policy, with regular meetings between different areas to identify new opportunities and projects in offices.
- Collaboration with the SEUR Foundation and the collection of plastic caps for the social cause 'Caps for a new life'. In 2024, 180,000 plastic caps were collected.
- Bottled water at the offices is supplied by AUARA, which supplies 100% recycled plastic bottles and containers to recycle the packaging for a social purpose that promotes access to drinking water worldwide. In 2024, use of these bottles allowed 1,714 kg of recycled plastic to be used, 2,858 litres of oil to be saved and 75,971 bottles to be recycled.
- Installation of Caritas containers on the premises of the Company's central offices to collect clothes and shoes so that they can be given a second chance or recycled.
- Use of paper with the FSC (Forest Stewardship Council) guarantee of origin and 100% recyclable for offices in Spain.

The Company also promotes the circular economy in its projects to avoid waste generation and reuse materials and to optimise the management of hazardous and non-hazardous waste. Through the systems in place, targets and goals are set regarding, among other aspects, waste reduction, compliance with good practices and the use of recycled materials.

Técnicas Reunidas carries out actions that favour the prevention, reuse and recycling of waste rather than generation and dumping, and the mitigation and control of waste management by incorporating cutting-edge techniques in the environmental design of processes at industrial plants and facilities and conducting awareness-raising campaigns at its work sites.

The Company has had a multidisciplinary working group since 2022, the purpose of which is to collect, classify and systematise all the initiatives that are or can be carried out to implement circular economy projects. The following actions are presented below:

Reuse of waste and treated wastewater on site:

- Use of excavated soils and land for backfilling foundations and trenches, levelling of land or similar.
- Use of wastewater after on-site treatment for irrigation required in construction, dust control of roads and paths, and irrigation of landscaped areas.
- Reuse of wood, metal and other materials to make information panels, handrails, pedestals, road barriers and other support elements.

Reuse of off-site waste:

- Sale to material management companies of reusable waste materials, such as cable drums and spools, scrap metal, pallets and drums that will go back into the supply chain.
- Selection or replacement of waste managers according to the final destination of the waste, promoting the search for managers that ensure the reuse and revaluation of waste.

TR's project-related activities generate a variety of waste types, both hazardous and non-hazardous. The total waste generated by the Company in 2024, included in the table below, has been reduced by around 54% compared to 2023, mainly due to the stage of completion of the different projects during the construction phase and the fact that different types of waste are generated depending on the phase. In particular, the reduction of hazardous waste is mainly due to the reduction of wastewater (from hydraulic testing and cleaning of piping systems) at one of the projects in Saudi Arabia. The change regarding non-hazardous waste is explained by the increase in the workforce and the stage of completion of one of the Company's projects.

Generation of waste*	Amount generated in 2023 (t)	Amount generated in 2024 (t)
Hazardous waste (including oils, filter materials and other categories)	53,566.07	19,126.98
Non-hazardous waste (including wood, household equivalent waste and other categories)	3,607.14	7,188.68
TOTAL	**57,173.21**	**26,315.66**

** The waste associated with the last three months of the year was estimated. The estimate consisted of a projection for the months of October to December based on the average waste generated during the first nine months.*

15.3.4 Actions to combat food waste

In recent years Técnicas Reunidas has implemented various measures to prevent food waste at subcontracted canteens, actively promoting its environmental commitments with responsible conduct at work sites.

Given that most of the projects executed by the Company are located at sites far away from urban centres, the majority of the measures are aimed at preventing waste and promoting the responsible use of food, including aspects relating to transportation, storage, handling, processing and consumption. In relation to managing this issue, the Company has adopted the following preventive measures in 2024:

- Planning purchases and calculating portions adapted to staff histograms, while also ensuring a balanced and healthy diet.
- Managing stock rotation to plan food preparation.
- Preference for quality ingredients from local markets to serve fresh, locally-sourced meals.
- Transport, handling and adequate storage of food, respecting the conditions that each item requires based on its type, to preserve and take full advantage of its use.
- Facilities designed and adapted to best provide the service, also using kitchen equipment and utensils that ensure proper storage, handling and preparation processes, to ensure the safety, conservation and consumption of meals in adequate conditions.
- Optimal conditions of hygiene to avoid contamination and the subsequent need to discard deteriorated products.
- Use of organic waste to generate compost and its future use as fertiliser.

Food waste is minimal at the offices. In addition, in the event of damage to or a breakdown of a refrigerator, the food bank is contacted to take advantage of its content.

15.3.5 Sustainable use of resources

Energy is one of the main resources needed for all the Company's operations. In 2024, Técnicas Reunidas consumed a total of 304,413 GJ of energy in its activities (mainly in the form of diesel, petrol and electricity), down 20.6% on the previous year. This reduction is due to the degree of progress or stage of completion of some projects, where there is more or less fuel consumption depending on the needs, and the reduction in electricity consumption at the offices in Spain (where most of the electricity consumption is concentrated), as a result of space optimisation and the energy efficiency measures adopted at the offices.

Energy consumption*	Amount consumed in 2023 (GJ)	Amount consumed in 2024 (GJ)
Diesel	307,647.03	239,307.00
Petrol	46,790.05	25,152.00
Total electricity consumption	29,225.19***	39,955.00
Consumption of electricity from renewable sources**	14,510.58***	13,423.36
TOTAL	383,662.27	304,414.36

** Energy consumption for the last 3 months of the year (October to December) was estimated based on the average consumption of the first 9 months.*

*** Electricity consumption with a certificate of renewable origin for the offices in Spain. These data are already included in the figure reported in the 'total electricity consumption' indicator.*

**** In the report for 2023, the value of Scope 2 consumption was calculated using the consumption from October 2022 to October 2023, with a total energy consumption value of 30,382.85 GJ and an energy consumption of renewable origin of 15,471.39 GJ, with the total energy consumption for Scope 1 + 2 being 384,819.93 GJ. For 2024, the method was updated so that it would be the same as for Scope 1 "emissions associated with the last 3 months of the year (October to December) estimated based on the average emissions of the first 9 months". The reason for the change in method is so that emissions are not allocated to a year that does not correspond to the fiscal year of the report. The change in methodology accounts for less than 1% variation.*

To reduce energy consumption, in 2024 the Company continued the various actions initiated in previous years, such as adopting energy efficiency plans and carrying out awareness-raising campaigns among staff and subcontractors' employees.

The Company has also worked on optimising and reducing the use of material resources in all phases of the value chain and the recovery of materials through R&D activities. Steel, copper and paper are the main materials used by the Company. The changes from one year to the next in these indicators depend on the stage of completion of the projects in the construction phase and changes in the purchases made. This was the case in the changes for copper and steel between 2023 and 2024, where the purchase of metal structures and pipes decreased. The reduction in paper is mainly due to the flexibility and remote working measures that the Company offers to its staff.

Materials*	**Consumption in 2023 (t)**	**Consumption in 2024 (t)**
Steel	40,044.02	6,792.56
Copper	335.50	527.96
Paper	33.86	27.53
TOTAL	**40,413.38**	**7,348.05**

** To calculate the reported data, the materials consumed during the last three months of the year was estimated. The estimate consisted of a projection for the months of October to December based on the average materials consumed during the first nine months.*

Although water consumption is outside the Company's material scope, it endeavours to make responsible use of this resource at all times, both in its projects and in the offices.

In relation to its offices, water consumption is outside the scope of Técnicas Reunidas and is the responsibility of the building owners. However, the Company carries out awareness-raising campaigns on the importance of reducing water consumption, conveying its commitment to saving water and efficient consumption.

In the case of the projects, the Company is responsible, within the scope of the contract, for providing potable water for site and office activities, together with the construction works.

15.3.6 Other forms of pollution

Técnicas Reunidas does not just focus its efforts on minimising greenhouse gas emissions, reducing its consumption of materials and generating less waste. The Company uses all resources at its disposal to identify the environmental circumstances for each project and to establish the most appropriate preventive and, where appropriate, mitigation measures in accordance with the best available techniques.

In relation to atmospheric pollution, the Company took the following actions:

- Develop technologies that increase the sustainability of water and phosphorus cycles.
- Promote sustainable mobility, aimed at reducing greenhouse gas emissions, which includes the launch of shuttle services from the offices of the headquarters in Madrid and the promotion of car sharing.
- Encourage and implement the use of digital platforms to collect, store and manage information. Use of these digital spaces allows employees to create, share and collaborate in the same space. Therefore, travel between offices and to construction sites is reduced, which has a positive impact on the environment and reduces pollution.

The Company therefore analyses other possible forms of pollution, such as noise or light pollution. In relation to light pollution, the office buildings have automatic night shutdown systems between 8:00 pm and 6:00 am. In the case of the works, they are illuminated in accordance with the safety and energy efficiency standards corresponding to each country.

In 2024, the Company participated and collaborated in the initiative promoted by the World Wildlife Fund (WWF) under the slogan ‘Turn off the lights and give an hour to the Planet’, switching off the lights in the corporate buildings in Madrid and encouraging its entire workforce to join the cause. The initiative was born as a symbolic gesture to promote climate action, a commitment with which Técnicas Reunidas is aligned.

For the proper management of all environmental issues, the Company has a wide range of supporting documents in the various project phases — including the Environmental Management Plan and the Construction Environmental Management Plan — which identify the limits of mandatory compliance, along with the actions to be implemented at all times. The Company also carries out the environmental studies required by the client, such as EIAs (Environmental Impact Assessments) or AAIs (Integrated Environmental Authorisations), where measures are proposed so that each project is executed correctly taking into account environmental aspects. It also has specific Environmental Management Manuals for each certified Environmental Management System.

15.3.7 Protection of biodiversity

One of the principles of action of the Environmental Sustainability Policy is to preserve and promote the biodiversity of the ecosystems, landscapes and species in the territories in which the Company operates.

The Company carries out all its projects in accordance with the environmental impact studies developed by its clients, which take into account the Equator Principles and aspects such as environmental protection and the diversity of plant and animal species living in the environment.

Técnicas Reunidas carries out all its projects on the client’s industrial land, which is why biodiversity is not among the Company’s material aspects. In this regard, there were no impacts on biodiversity or protected areas in 2024.

The Company’s biodiversity scope is defined at the contract level with its customers. Técnicas Reunidas implements all measures included in the contract and envisaged for the client, and in these cases the Company offers specific consulting services for customer advice and support in this connection. In those projects where the protection of biodiversity is assumed by Técnicas Reunidas in the scope of the contract, the Company implements several initiatives, such as planting trees, aimed at offsetting the CO_2 emissions from these projects, thus reducing its carbon footprint and generating great benefits for the environment.

Particularly, in 2024 the Company collaborated with the client in projects in the construction phase in Mexico to rescue the trees and species considered to be sensitive in the surrounding areas affected by the projects, relocating them to other areas indicated by the client. In addition, reforestation work was carried out with other trees. A total of 28,418 trees have been rescued and relocated, and 32,835 new trees have been reforested in all four projects.

15.3.8 Provisions and guarantees for environmental risks

The environmental expenses, assets, provisions and contingencies of the Group companies are considered immaterial in relation to their equity, financial position and results. However, the Company identifies these items for each office/subsidiary, and for each project through the various applicable accounting items; this facilitates the monitoring of environmental indicators since, based on the concept of sustainable management, the verification documents are the invoices that support these items.

Técnicas Reunidas also has a risk management system that includes an analysis of both offices and projects (from the bidding phase to completion) for potential environmental impacts. This analysis includes the identification of measures addressing the precautionary principle and reduction of undesirable effects.

In addition to environmental expenses and provisions, all projects include a contingency account to cover potential unforeseen events, including environmental situations, which are activated when necessary.

The Company is also insured under an environmental third-party liability policy that guarantees coverage of potential environmental damage arising from Técnicas Reunidas' activities, including environmental liability at its own facilities and offsite, liability for pollution or liability during transport to and from third-party facilities.

15.3.9 Resources allocated to the prevention of environmental risks

In the bid preparation phase, the HSE Department, which includes the Environmental Area, is responsible for identifying the environmental requirements included in the bid request and the laws of the country.

In the project development phase, the HSE Department is responsible for gathering information on the requirements to ensure adequate identification, analysis, prevention and management of environmental risks, and to establish any mitigation mechanisms, if necessary. The HSE team has interdisciplinary professionals who work in a cross-cutting manner throughout the Group's companies and divisions, implementing a common methodology in all projects.

15.4. Information on social and personnel issues

15.4.1 Employment

Técnicas Reunidas' professionals are the Company's main asset. The workforce increased in 2024 to 10,451 employees (an increase of 23.10% compared to 2023), which represents a major challenge in terms of management, and this is in addition to the need to adapt to the complex scenario arising from the various challenges present on an international level.

Thanks to various tools and strategies, TR efficiently manages the relationship with its professionals and promotes their professional development. The tools available to the Company include policies, procedures and bodies that stipulate the principles, guidelines and decisions related to human resources. This framework enables the appropriate management of human resources, offering employees a safe and dependable environment that reinforces their commitment to the Company.

Técnicas Reunidas is aware of the main risks relating to human resources to which it is exposed. In 2024, these risks were mainly as follows: the need to attract and retain talent; the difficulty of having a remuneration policy that is fair, competitive and egalitarian at the same time; adapting the size of the workforce in each of the geographical areas in which the Company operates to support the specific needs of each project;

adapting corporate policies to local laws in each area; monitoring possible risks to ensure the safety of employees in certain conflict zones; having a solid, experienced and properly trained leadership team to cover the growth of the workforce and projects; incorporating highly qualified personnel into the teams to meet the Company's strategic challenges.

However, TR is prepared to face all these possible contingencies through a flexible and globalised human resources structure, which facilitates the adoption of solutions to prevent and mitigate the risks associated with its activity.

Specifically, some of the most important measures to address the main risks were: (i) the establishment of strategic plans to achieve a more attractive company that generates large-scale employment, including the remuneration policy, remuneration aspects and specific development and training plans adapted to needs; (ii) the centralisation of recruitment processes in a global and coordinated manner between Human Resources and Operations; (iii) the establishment of a global control and reporting system; (iv) the availability of flexible working conditions in accordance with operational needs; (v) the identification of a strategic CORE group comprising key Company personnel, for whom various specific professional and personal development plans have been designed; (vi) the establishment of a modern TR Group International Assignment Policy that is in line with current needs; (vii) negotiation of fair equality plans; and (viii) the establishment and monitoring of internal security policies in projects through the centralisation of corporate security with global management.

This global management of human resources is in accordance with its strategy to promote diversification in both services and geographical regions. This approach enables the Group to implement more comprehensive control of all sections related to employees increasing the reliability of the information available, optimising the management of these resources and ensuring that appropriate and fair conditions are offered to all employees.

In this area, TR has IT tools that allow it to more efficiently manage aspects such as administrative management, training, remuneration plans, performance evaluations and absenteeism, among other aspects. In relation to this last point, Técnicas Reunidas has a presence control system that complies with current law and allows for control of records, leave and absences.

The Group's workforce at 31 December 2024 had 10,451 employees and independent professionals, who have a contract with the Company. In addition, Técnicas Reunidas has an average of more than 38,240 subcontracted workers on its projects in construction (see section 15.7.3). In 2024, there was an increase of around 23.10% in the workforce, due to the fulfilment of the strategic objectives of growth in the number of employees, in line with the needs of the business in the technology centres in Spain (Madrid, Bilbao and Cartagena), India, Turkey, Abu Dhabi, Saudi Arabia and Chile. In addition, in coordination with Operations, organisational support is being provided to respond to the staffing needs of the various subsidiaries.

In addition, in 2024 the Company increased the use of its internal mobility programme 'MuéveTRe', which allows employees to find out about and apply for different open positions through the corporate intranet, thus facilitating the personal and professional enrichment of the workforce, and the interdisciplinary integration and retention of talent, knowledge and internal experience.

The Company has implemented a space management model that allows for efficient space utilisation.

The following tables show the breakdown of the indicators on TR's workforce. It should be noted that the applicable perimeter is 100% of the internal workforce in Spain and subsidiaries.

- **Distribution of staff by gender, age, country and professional category:**

In 2024, the workforce increased by around 23.10% compared to 2023 as a result of the implementation of the growth strategy. The gender distribution shows that 76% of the employees are men and 24% are women. By professional category, the majority of TR employees (92%) are graduates, line personnel and clerical staff. In turn, the bulk of the workforce by age, specifically 61%, is concentrated between 30 and 49 years old; although in 2024 the number of employees under 30 years old also increased. In terms of geographical distribution, Spain, India, Saudi Arabia and the United Arab Emirates (UAE) account for 80.48% of employees.

Distribution of staff by gender	2023		2024	
	No.	%	No.	%
Men	6,424	75.67%	7,965	76.21%
Women	2,066	24.33%	2,486	23.79%
TOTAL	**8,490**	**100%**	**10,451**	**100%**

Distribution of staff by professional category	2023		2024	
	No.	%	No.	%
Executive Directors	1	0.01%	1	0.01%
Senior executives	9	0.11%	9	0.09%
1st management level	84	0.99%	89	0.85%
2nd management level - Middle managers	461	5.43%	582	5.57%
Graduates, line personnel and clerical staff	7,753	91.32%	9,574	91.61%
Supervisors	125	1.47%	131	1.25%
Sales staff	57	0.67%	65	0.62%
TOTAL	**8,490**	**100%**	**10,451**	**100%**

Distribution of staff by age	2023		2024	
	No.	%	No.	%
<30 years old	1,101	12.97%	1,728	16.53% (*)
>=30 years old, <50 years old	5,486	64.62%	6,409	61.33%
>=50 years old	1,903	22.41%	2,314	22.14% (*)
TOTAL	**8,490**	**100%**	**10,451**	**100%**

** In 2024, the Group's workforce grew by 23% compared to the previous year. This increase was both in Spain and in the rest of the subsidiaries as a result of a total of 384 new employees hired under the age of 30. However, the increase in employees over the age of 50 was mainly due to the fact that those who were in the previous age bracket now fall into the category of those over 50 years old.*

Distribution of TR employees by country*	2023		2024	
	No.	%	No.	%
TR SPAIN	4,256	50.13%	4,918	47.06%
TR OMAN	117	1.38%	111	1.06%
TR CHILE	170	2.00%	254	2.43%
TR INDIA	1,169	13.77%	1,666	15.93%
TR SAUDI ARABIA	689	8.12%	1,073	10.27%
TR KUWAIT	31	0.37%	31	0.30%
TR PERU	96	1.13%	30	0.29%
TR MALAYSIA	6	0.07%	3	0.03%
TR UAE	552	6.50%	754	7.21%
TR TURKEY	239	2.82%	301	2.88%
TR ALGERIA	7	0.08%	7	0.07%
TR AZERBAIJAN	13	0.15%	3	0.03%
TR MEXICO	198	2.33%	298	2.85%

TR CANADA	26	0.31%	25	0.24%
TR SINGAPORE	209	2.46%	359	3.44%
TR POLAND	98	1.15%	117	1.12%
TR ITALY	8	0.09%	14	0.13%
TR BAHRAIN	11	0.13%	7	0.07%
TR US	6	0.07%	13	0.12%
TR COLOMBIA	37	0.44%	4	0.04%
TR THAILAND	217	2.56%	-	0.00%
TR ARGENTINA	34	0.40%	35	0.33%
TR QATAR	294	3.46%	417	3.99%
TR RUSSIA	4	0.05%	4	0.04%
TR KAZAKHSTAN	3	0.04%	5	0.05%
TR GERMANY	-	0%	2	0.02%
TOTAL	**8,490**	**100%**	**10,451**	**100%**

** The significant changes in certain subsidiaries are due to fluctuations in the needs of the Company's various projects in the geographical areas in which it operates.*

- **Total number and distribution of employment contract types:**

As regards the composition of the workforce by hiring model, in 2024 there was an increase in temporary contracts to 19.11% of employees (an increase of 10.22% with respect to the total, compared to 2023), which has led to a decrease in indefinite-term contracts, representing 80.89% of the workforce. Furthermore, 100% of the workforce is employed on a full-time basis, although 2.82% of the workforce has reduced working hours.

Distribution of employment contract types	2023		2024	
	No.	%	No.	%
Permanent	7,735	91.11%	8,454	80.89%
Temporary*	755	8.89%	1,997	19.11%
TOTAL	**8,490**	**100%**	**10,451**	**100%**

** The increase in the number of temporary employees in the year is due to legislative changes in the United Arab Emirates (UAE), whereby all contracts that were previously considered permanent are now considered fixed-term contracts (3-year renewable temporary contracts).*

Distribution of employment contract types*	2023		2024	
	No.	%	No.	%
Full time	7,984	94.04%	10,156	97.18%
Reduced workday	506	5.96%	295	2.82%
Total employees	**8,490**	**100.00%**	**10,451**	**100%**

** Virtually 100% of TR's contracts are full-time contracts and, therefore, TR does not in practice have part-time contracts, except for the specific needs of a person who request this type of contract for special reasons. This table includes those employees that have a full-time contract and that also have a reduced workday.*

- **Annual average of contracts by contract type, gender, age and professional category:**

Average contracts by gender*	2023			2024		
	Men	Women	Total	Men	Women	Total
Permanent	5,241	1,764	7,005	5,694	1,996	7,690
Temporary**	565	173	738	1,517	307	1,824
TOTAL	**5,806**	**1,937**	**7,743**	**7,211**	**2,303**	**9,514**

Average contracts by age*	2023			2024		
	<30	>=30, <50	>=50	<30	>=30, <50	>=50
Permanent	621	4,763	1,621	820	4,902	1968
Temporary	173	403	162	468	1,056	300
TOTAL	**794**	**5,166**	**1,783**	**1,288**	**5,958**	**2,268**
	7,743			**9,514**		

Average contracts by professional category*		Executive directors	Senior executives	1st management level	2nd management level - Middle managers	Graduates, line personnel and clerical staff	Supervisors	Sales staff
2023	**Permanent**	1	9	78	419	6,336	108	54
	Temporary	-	-	1	32	686	16	3
	TOTAL	**1**	**9**	**79**	**451**	**7,022**	**124**	**57**
2024	**Permanent**	1	9	85	446	7,035	56	58
	Temporary	-	-	2	89	1,658	73	2
	TOTAL	**1**	**9**	**87**	**535**	**8,693**	**129**	**60**

** The average was calculated based on the average of the active employees in 2024.*

*** The increase in the number of temporary employees in the year is due to legislative changes in the United Arab Emirates (UAE), whereby all contracts that were previously considered permanent are now considered fixed-term contracts (3-year renewable temporary contracts).*

- **Number of dismissals by gender, age and professional category:**

In 2024 there was a 78.5% increase in dismissals. The reason for the increase in this index is that the closure of the Powertecno project in Mexico was initiated and the contracts were terminated since the personnel contracted had completed their tasks. By gender, there was an increase in dismissals among both men and women, with the highest number of dismissals among men. By age, the bulk of the dismissals (around 86%) were concentrated between two age ranges: employees between 30 and 49 years old (56.63%) and employees of >50 years old or more (29.52%), who make up the majority of the workforce. In terms of professional category, the dismissals were concentrated among graduates, line personnel and clerical staff, who represent a large part of TR's workforce.

No. of dismissals	2023		2024	
Distribution by gender	**No.**	**%**	**No.**	**%**
Men	69	74.19%	134	80.72%
Women	24	25.81%	32	19.28%
TOTAL	**93**	**100%**	**166**	**100%**
Distribution by age	**No.**	**%**	**No.**	**%**

No. of dismissals	2023		2024	
<30 years old	6	6.45%	23	13.86%
>=30 years old < 50 years old	45	48.39%	94	56.62%
>=50 years old	42	45.16%	49	29.52%
TOTAL	**93**	**100%**	**166**	**100%**
Distribution by professional category	**No.**	**%**	**No.**	**%**
Executive Directors	0	0.00%	0	0.00%
Senior executives	0	0.00%	0	0.00%
1st management level	2	2.15%	0	0.00%
2nd management level - Middle managers	5	5.38%	12	7.23%
Graduates, line personnel and clerical staff	80	86.02%	147	88.55%
Supervisors	4	4.30%	5	3.02%
Sales staff	2	2.15%	2	1.20%
TOTAL	**93**	**100%**	**166**	**100%**

- **Total average remuneration (fixed and variable wages) of the workforce broken down by gender, age and professional category or equivalent value:**

Average remuneration by gender (€) *	2023	2024
Men	55,920	54,807
Women	47,103	46,396
TOTAL	52,830	52,770

** Remuneration calculated on a cash basis.*

Average compensation by professional category* (€)	2023		2024	
	Men	Women	Men	Women
Senior executives**	801,718	418,361	890,830	523,577
1st management level	194,618	179,217	230,711	201,784
2nd management level - Middle managers	98,388	85,843	127,403	92,442
Graduates, line personnel and clerical staff	48,663	43,591	48,697	42,908
Supervisors	31,602	25,787	24,067	16,650
Sales staff	54,662	48,039	65,345	52,702

** Remuneration calculated on a cash basis.*

*** Includes variable remuneration, attendance fees, termination benefits, long-term savings/pension plans and any other compensation for senior executives.*

Average remuneration by age (€)*	2023	2024
<30 years old	26,676	47,586
>=30 years old < 50 years old	49,608	51,102
>=50 years old	66,457	60,121

** Remuneration calculated on a cash basis.*

- **Wage gap:**

Wage gap by professional category*	2023	2024
Senior executives**	47.82%	41.23%
1st management level	7.91%	12.54%
2nd management level - Middle managers	12.75%	27.44%
Graduates, line personnel and clerical staff	10.42%	11.89%
Supervisors	18.40%	30.82%
Sales staff	12.12%	19.35%

** The gap was calculated based on the salaries actually received for all active employees during the year. The gap was calculated as follows: 1 - (average remuneration of women by professional category/average remuneration of men by professional category).*

*** Includes variable remuneration, attendance fees, termination benefits, long-term savings/pension plans and any other compensation for senior executives.*

The data in these tables are broken down into broad categories that in turn include very different profiles and subcategories due to position, specialisation, experience and training, among other differences. In addition, salaries in Spain are added to those in the rest of the world in each case, which leads to a significant pay distortion. This global salary gap between men and women results in a percentage index with very limited reference for the purpose of analysing possible inequalities. This is due to the fact that this sector has historically been dominated by men —with women entering engineering careers only recently and that is even reflected to this day—, which means that there is a higher percentage of men with greater experience compared to the number of women, and which means, among other effects, that many of the positions are mostly occupied by men.

In addition and equally important, the salary gap is strongly affected by the idiosyncrasies of many of the countries in which Técnicas Reunidas operates, and the inclusion of data on expatriate personnel and local personnel of subsidiaries, where the percentage of men is much higher than that of women in most of the countries where Técnicas Reunidas operates. All this prevents the Company from drawing effective conclusions regarding the analysis of the actual wage gap, which is analysed in a detailed and effective manner in the context of the corresponding negotiated equality plans, signed in agreement with the employees' legal representatives and which have been duly registered and subject to the corresponding salary audits carried out by a third party, as established by law.

- **Directors' remuneration:**

Total average directors' remuneration by gender (€) - executive directors*	2023	2024
Men	901,746	902,087
Women	N/A	N/A
Total average directors' remuneration by gender (€) - non-executive directors*	**2023**	**2024**
Men	170,665	142,366
Women	129,145	119,043

** Directors' remuneration is broken down in detail in the Company's Annual Directors Remuneration Report. In this report, it was calculated on an accrual basis and the fixed and variable salary was considered.*

Regarding the remuneration of the Company's directors, in 2022 Técnicas Reunidas submitted the 2023-2025 Directors Remuneration Policy to its shareholders for approval, with the aim of obtaining their approval before the end of the previous policy. The Policy, approved by 89.25% of the votes of the shareholders present and represented at the Annual General Meeting held on 28 June 2022, aims to ensure that the remuneration of all the directors is aligned with Técnicas Reunidas' strategies and with the interests of the Company and its shareholders, having taken into consideration the market standards of comparable companies, the remuneration and employment terms of the Company's employees and sustainability aspects. In any case, the variable remuneration of the executive director was suspended in 2024 in application of the terms established on this matter by Order PCM/679/2020 of 23 July.

15.4.2 Work organisation and measures to facilitate work-life balance

The various work-life balance policies respond to the new needs of a society that is more aware of the need for a balance between work and personal life. The Company therefore has a robust system of organising work that includes the possibility of working remotely two days a week for the entire workforce in Spain, all within the framework of an agreement signed with the support of all employee legal representatives.

Another aspect that should be noted as one of the priorities in human resources management is the Company's strong commitment to work flexibility that allows for a better work-life balance. For several years now, the Company has been committed to establishing a flexible working hours model in its offices in Spain, based on trust and commitment to its professionals. This model allows employees to manage their time and perform their professional activities while enjoying a better quality of life.

The Company also extended the cases in which, for personal reasons or special circumstances, the needs of employees are met so that they can balance their work and personal life. Other measures include personalised management of requests related to adapting working hours, family illnesses, personal circumstances, etc.

Against this same backdrop, the TR Group's International Assignment Policy establishes improvements regarding rotation times, breaks between weeks and special compensation in other cases.

All these measures regarding work-life balance and well-being establish an internal regulatory framework that goes far beyond the legal minimum requirements established by current law.

These work-life balance measures benefited the following people at the end of 2024:

- Remote working: 4,575 employees
- Flexible working hours: all employees.
- Intensive working hours: 2,575 employees
- Adaptation of working hours: 277 employees

15.4.3 Employees with disabilities

As part of its commitment to employment insertion, development and effective integration, in 2024 Técnicas Reunidas had 30 employees with disabilities, offering them quality and stable employment. TR's commitment to people with disabilities is strengthened year after year and has continued in 2024 by maintaining and improving strategic agreements with auxiliary service providers (cleaning, catering, etc.) to include a high percentage of staff with disabilities. The Company therefore maintains the offer and commitment to adapt the job position to all workers with disabilities in all job offers that are published.

Regarding accessibility to its buildings, TR complies with the regulations in force in each country where it operates. In addition, about the Company's corporate website, one of the main objectives is accessibility without difficulty, regardless of any physical or technical disability. To this end, TR adheres to the Web Accessibility Initiative (WAI) of the World Wide Web Consortium (W3C). This organisation developed the Web Content Accessibility Guidelines (WCAG) 1.0 aimed at making web content accessible to people with disabilities.

15.4.4 Training

The development of talent and adequate skills are key aspects that have a direct impact on the competitiveness of Técnicas Reunidas, which actively manages knowledge, mainly through training resources and the identification of skills necessary for employees to develop professionally and improve their performance.

To carry out talent and training management, TR has three main procedures with different objectives:

a. '<u>Evaluation process and information records of employees</u>' procedure: assures the quality of talent management processes.
b. 'Skills, training and awareness procedure': ensures and provides employees the skills they need to perform the tasks assigned to them.
c. <u>'Annual training plan and course management' procedure:</u> describes the Company's training plan preparation process, along with how the specific training actions are requested under the plan.

Técnicas Reunidas recognises the importance of attracting and retaining talent through the dissemination and preservation of internal experience and known-how, which is a hallmark of the quality of its projects. The Company therefore offers its employees a complete and adapted range of courses and a comprehensive training plan throughout their professional careers. This approach not only maximises their competencies and enhances their professional development but also ensures that critical knowledge is retained within the organisation. Thanks to this commitment, TR supports its professionals in achieving new goals, thus contributing to the fulfilment of the Company's objectives and strengthening its capacity to maintain excellence in its projects.

Técnicas Reunidas analyses these trends in the assessment of skills and knowledge in each area. In addition, the specific needs of employees are considered to update and develop specific training programmes, establishing training itineraries for each department and job. To verify the quality of the training actions, satisfaction questionnaires are sent to the participants and to those in charge to assess their effectiveness and to detect possible improvements and adjustments that can be made to future training.

TR's strategy is to focus on developing and ensuring the loyalty of talent and the digitalisation of the Company and, therefore, it is working on four main lines of action:

- Core and High Potential Programme: the programme aims to boost the professional development of key personnel and take them to the next level in their career path. The programme includes a comprehensive master's degree-type training plan in management and leadership skills, and the design of professional development plans aligned with employee expectations and business needs.

- Internal training: The Company maintains its commitment to enhance and disseminate internal knowledge, highlighting technical training as a hallmark of its identity. The most qualified professionals are empowered to share their knowledge with their peers. Training needs are channelled through a solid Training Plan, which for some years now has been supported by a Virtual Classroom Project. Numerous technical and skills training actions have been carried out through a corporate tool and with the instruction of internal staff. The scope of knowledge is therefore broadened, supplementing traditional classroom training.

- E-learning training: Técnicas Reunidas has consolidated its training offer in e-learning format, which is available 365 days a year for all TR Group employees. The Company also has its own content factory supported by PHAROS, an e-learning platform with more than 800 mainly technical courses in the construction, engineering and new technologies sectors. This factory produces multimedia material to deliver training through the TRAula corporate tool, including collaborations with specific areas, and all kinds of small training sessions and workshops.

- Digital training: The Company has implemented a digitalisation training plan, which includes the use of artificial intelligence, the development of applications (App4all) and the use of Power BI for data analysis, thus supporting informed decision making.

Throughout 2024, the Company has consolidated and improved its training offer through the Employee Training Project ULTREIA, which has a wide range of training options organised in thematic blocks. Accordingly, the training offer has been brought into line with new business needs emerging: the energy transition, regulatory compliance, social and sustainability awareness, international matters, etc., and the Annual Training Plan has been implemented with various themes (Technical-professional, Skills, Digitalisation, Languages and Corporate) and methods (classroom, online, blended), etc.

The ULTREIA Training Portal offers training itineraries adapted to the professional category, including basic, appropriate and desirable training in skills to reach a position of greater responsibility and managerial positions.

Therefore, the Employee Training Portal, together with the portal with the training offer in thematic blocks and training itineraries grouped by professional categories, make up the ULTREIA Training Project, which is intended to be the main professional training vehicle for TR employees, both at the Home Office and Subsidiaries level. This new approach allows employees to manage their training and, additionally, enhance the sense of belonging to the Company.

Training by category (h)*	**2023**	**2024**
Senior executives	13	4
1st management level	545	513
2nd management level - Middle managers	4,869	8,352
Graduates, line personnel and clerical staff	222,098	222,904
Supervisors	67	38
Sales staff	1,931	1,757
TOTAL	**229,523**	**233,568**
Skills	13,763	24,361
Languages	7,149	9,815
Technical	208,611	199,392
TOTAL	**229,523**	**233,568**

** The training hours delivered in 2024 increased slightly compared to 2023.*

15.4.5 Equality

One of the basic social principles established by Técnicas Reunidas is to encourage a climate of respect for diversity and guarantee equal opportunities. TR's main policies in this area are based on the principles expressly set out in the equality plans, the TR Code of Conduct and the Human Rights Policy.

In 2024, the Company registered equality plans agreed with employees' legal representatives, establishing the appropriate mechanisms to avoid any form of discrimination in the different environments in which the Company operates and, in any case, including strong instruments to ensure equality in all aspects of employees' relationship with the Company and providing the appropriate measures to avoid any type of discrimination.

In addition, the Técnicas Reunidas Code of Conduct is committed to promoting the moral and physical integrity of its professionals, guaranteeing conditions of respect and dignity in the workplace. In particular, the Group will take appropriate measures to prevent and, if necessary, correct the following: any manifestation of violence; physical, sexual, psychological, moral or other type of harassment; abuse of authority at work; or any other conduct that intimidates or infringes on the rights of TR Group associated people. Also, in view of the importance of balancing work and personal life, any reconciliation measures and actions in this area will be encouraged.

Within the framework of the Company's Workplace and Sexual Harassment Prevention Policy, the existing harassment protocols for dealing with workplace and sexual harassment have been maintained after a consensus was reached with the Workers' Representatives of the various TR Group companies.

To strengthen its rejection of any type of discriminatory conduct, the Company has launched various training and awareness-raising campaigns on matters such as dealing with sexual and gender-based harassment, inclusive communication and gender awareness.

Thanks to these activities, TR identifies, manages and mitigates any risks that may arise in this area during the Company's activities. The implementation of all these preventive measures has prevented the appearance of any significant impacts in this regard.

As regards measures to promote employment, the Company publishes numerous announcements on a continuous basis seeking professionals in all types of specialities, ensuring equal opportunities between men and women, both in Spain and abroad, and has an ongoing relationship and framework agreements with universities and other institutions such as vocational training colleges, institutions that promote employment, etc.

There are also ambitious scholarship programmes for young people in the final year of their degree who wish to carry out their internships or scholarships in the Técnicas Reunidas Group, with the aim of learning everything necessary to subsequently carry out their professional career as part of the Técnicas Reunidas Group's workforce.

Furthermore, TR actively participates in the Start ICEX Vives international work placement programmes to attract and train talent at international subsidiaries, having incorporated professionals who then go on to continue their career and acquire positions of greater responsibility within the Company. TR also favours the employment of people with disabilities, promoting their inclusion in the workforce through recruitment or agreements with service companies so that they can work at the Company and thus have the opportunity to have stable, quality employment.

15.4.6 Occupational health and safety

Guaranteeing a safe and healthy working environment for all those involved in Técnicas Reunidas' activities requires a great effort and continuous improvement on the part of its employees, based on the engagement and leadership of senior management.

TR therefore has a Health, Safety and Environment (HSE) Department that consists of interdisciplinary professionals who work across the various Group companies and divisions, implementing a common methodology in all processes and projects.

To achieve full integration of occupational health and safety throughout the life cycle of Técnicas Reunidas' projects, the Company has had an Occupational Health and Safety Management System in place for 17 years, certified since 2008 under OSHA 18001: 2007. This system is implemented based on the corporate Quality, Health, Safety and Environment Policy (QHSE) and is based on three pillars: accident and incident prevention, integration of health and safety in corporate strategy, and continuous improvement of methods and processes.

In 2022, TR's Occupational Health and Safety Management System was successfully certified under ISO 45001, to which the system was migrated in 2020. Against this backdrop, the QHSE Policy was updated in March 2021 to bring it into line with the new requirements of the new ISO 45001: 2018 and 14001: 2015 standards. As a result, Técnicas Reunidas has renewed its ISO 45001 certification for a period of three years.

In 2023, the management systems corresponding to the ISO 45001 and ISO 14001 certifications were integrated to optimise processes and to reduce time and costs, while ensuring the correct implementation of both management systems. The integrated certification was obtained with the BSI (British Standards Institution) and the ISO 45001 certificate expires on 27 November 2025.

This certification demonstrates the maturity of the management system and the Company's commitment to applying the best available practices in health, safety and environmental matters. In HSE matters, TR's leadership is increasingly visible among the Company's management as a standard bearer of a company that cares for the well-being and health of its workers, encouraging their consultation and participation.

In the bid preparation phase, the Sustainability Area, together with the HSE Department, is responsible for identifying the environmental and sustainability requirements included in the bid request and the laws of the country.

In the project development phase, the HSE Department and the Sustainability Area are responsible for gathering information on the requirements to ensure adequate prevention and management of environmental risks in the projects.

In 2024, regular medical check-ups and flu vaccination campaigns were carried out among employees. These campaigns were coordinated by TR's Joint Prevention Service and were very successful in terms of participation.

Another important measure that has had a major impact on Técnicas Reunidas from a health and safety point of view was the inclusion of an in-company physiotherapy service in the central offices.

Técnicas Reunidas has HSE diligence procedures that cover all of the Company's activities, based on an exhaustive analysis of risks and opportunities, as well as an analysis of the needs and expectations of its stakeholders. As a result of these assessments, the following risks associated with TR's HSE activity were identified:

- Hiring of personnel with little experience in health and safety derived from the demands in the increased hiring of local labour by clients in a short period of time.
- Increase in high-risk activities due to the increase in the scope of the commissioning and start-up phases of the projects.
- Adaptation to the characteristics and safety requirements of new countries, clients and subcontractors.
- High rate of potentially serious incidents that can lead to serious accidents if immediate action is not taken.
- High volume of labour with low HSE culture.

To mitigate the risks to which the Company is exposed, and to ensure proper implementation of the management system and its adaptation to the established objectives, the requirements in the bid phase are identified and the adequate implementation of the system during engineering is ensured, and HSE assessments are carried out for the pre-qualification of subcontractors, as well as follow-up audits defined in the internal corporate plans and audits of the systems that form part of the Occupational Health and Safety Management System (OHSMS) and Environmental Management System (EMS). The results of these audits are discussed with the client or subcontractor at the site, facilitating the effectiveness of actions taken to correct any shortcomings.

In 2024, TR conducted a series of audits aimed at improving processes and ensuring compliance with the corporate objectives and objectives of the EMS and OHSMS:

- EMS and OHSMS:
    - Internal: 8 internal corporate integrated engineering audits and 27 internal corporate integrated audits were carried out during the construction phase of the projects (9 of them in the commissioning or pre-commissioning phase).
    - External: In addition, an external certification audit was carried out for the integrated systems.

- Engineering: 23 internal technical audits to ensure that corporate processes and procedures (CRM - Corporate Requirements Monitoring) for projects are correctly implemented during the engineering phase.
- Construction: 3 internal technical audits to ensure that corporate processes and procedures (CRM - Corporate Requirements Monitoring) for projects are correctly implemented during the construction phase.

TR ensures that high standards of occupational safety are observed by its entire supply chain, establishing stringent requirements and promoting good practices. Onsite health and safety managers oversee the application of specific health and safety plans by subcontractors and implementing any preventive actions they consider necessary. To this end, the Company carries out information campaigns, prevention programmes and regular medical check-ups. In 2024, the following milestones were noteworthy of mention:

- Development of a programme, with a mobile application, for carrying out health and safety observations and inspections in projects, improving the accessibility and effectiveness of its use.
- Implementation of a new KPI, 'Joint Inspections', in all projects under construction.
- Create a comprehensive digital library with lessons learned that is accessible to all TR personnel, both in offices and on site.

The Company's future health and safety objectives are detailed in section 15.1.6 Objectives and strategy.

In addition, since 2020, the Company has had the e-risk tool for identifying and managing the risks and opportunities of the Occupational Health and Safety Management System at all levels of the Company, and also updated the occupational risk assessment in 2024.

The Company also works to ensure the standardisation of health and safety procedures throughout the entire organisation to guarantee maximum efficiency in the dissemination and assimilation of corporate policies. This objective is based on an intensive drive toward training. In 2024, there were 1.52 hours of on-site training provided in this area for every 100 hours worked (8.4% less than in 2023), taking into account the personnel of both the Company and its subcontractors. Among the training actions provided in 2024, it is worth highlighting the development of training on legal liabilities associated with health and safety during the construction phase of projects, aimed at project managers.

With regard to the effectiveness of its safety policies, Técnicas Reunidas assesses their performance through a system of indicators. The information reported relates to the sites and offices, although it is in the construction and commissioning phase that an increased security risk is identified. Given the different degree of risk associated with each type of activity and the different scope of the indicators, the Company reports accident data and accident rates for work sites and offices separately, which are included in the tables below:

Number of accidents at work sites (TR employees)						
	2023			2024		
	Women	Men	Total	Women	Men	Total
Accidents with leave	-	1	1	-	-	-
Accidents without leave	-	-	-	-	1	1
Fatal accidents*	-	-	-	-	-	-
No. of occupational diseases	-	-	-	-	-	-

Number of accidents at work sites (subcontracted workers)						
	2023			2024		
	Women	**Men**	**Total**	**Women**	**Men**	**Total**
Accidents with leave	-	9	**9**	-	4	**4**
Accidents without leave	-	26	**26**	-	24	**24**
Fatal accidents*	-	-	**-**	-	2	**2**
No. of occupational diseases	-	-	**-**	-	-	**-**

** Unfortunately, two accidents occurred in 2024, which resulted in the death of two workers belonging to subcontractors. The first accident occurred when a worker fell from height after entering a restricted area without using appropriate safety measures. The second was a scaffolding coordinator who died from asphyxiation after entering a confined space containing nitrogen without the necessary authorisation or controls.*

Number of accidents at offices (TR employees at offices in Spain)						
	2023			2024		
	Women	**Men**	**Total**	**Women**	**Men**	**Total**
Accidents with leave	1	3	**4**	-	5	**5**
Accidents without leave	5	3	**8**	6	-	**6**
Fatal accidents*	-	-	**-**	-	-	**-**
No. of occupational diseases	-	-	**-**	-	-	**-**

The Group's accident rates at work sites and offices are as follows:

Work site accident rates (TR employees)						
	2023			2024		
	Women	Men	Total	Women	Men	Total
Lost time incident rate* (LTIR)	*****	0.021	**0.021**	*****	*****	*****
Total recordable incident rate** (TRIR)	*****	0.021	**0.021**	*****	0.026	**0.026**
Severity rate*** (SR) (Note 2)	*****	0.019	**0.019**	*****	*****	*****
Frequency rate**** (Note 1)	*****	0.104	**0.104**	*****	*****	*****

*<u>Note 1:</u> the frequency rate for accidents on site and at the offices for 2024 was calculated using the following formula: Frequency rate: No. of processes involving occupational incidents with leave, not including en route accidents and relapses during the working day, for every million hours worked by workers exposed to the risk. (Accidents with leave/Total hours worked) * 1,000,000. In 2023, the following formula was used to calculate accidents on site: Frequency rate: No. of processes involving occupational incidents with leave, not including en route accidents and relapses during the working day, for every million hours worked by workers exposed to the risk. (Accidents with leave/Total hours worked) * 200,000. The figure for 2023 has been restated based on the calculation methodology used in 2024.*

<u>Note 2:</u> the OSHA standard establishes a maximum of 180 recordable days lost due to accidents outside Spain. The 2023 calculation includes an accident with leave that exceeded this limit, which has led to an OSHA-compliant update of the calculation and, therefore, the 2023 figure has been restated.

Work site accident rates (Subcontracted workers)						
	2023			2024		
	Women	Men	Total	Women	Men	Total
Lost time incident rate* (LTIR)	*****	0.020	**0.020**	*****	0.007	**0.007**
Total recordable incident rate** (TRIR)	*****	0.079	**0.079**	*****	0.051	**0.051**
Severity rate*** (SR)	*****	0.007	**0.007**	*****	0.001	**0.001**
Frequency rate ****	*****	0.10	**0.10**	*****	0.034	**0.034**

Office accident rates (TR employees at offices in Spain)						
	2023			2024		
	Women	Men	Total	Women	Men	Total
Lost time incident rate* (LTIR)	0.078	0.131	**0.112**	*****	0.194	**0.122**
Total recordable incident rate** (TRIR)	0.468	0.262	**0.336**	0.393	0.271	**0.317**
Severity rate*** (SR)	0.098	0.031	**0.055**	*****	0.032	**0.020**
Frequency rate**** (Note 1)	0.39	0.66	**0.56**	*****	0.969	**0.609**

*Note 1: The frequency rate for accidents on site and at the offices for 2024 was calculated using the following formula: Frequency rate: No. of processes involving occupational incidents with leave, not including en route accidents and relapses during the working day, for every million hours worked by workers exposed to the risk. (Accidents with leave/Total hours worked) * 1,000,000. In 2023 there was an error in the calculation of the hours worked for men and women, and it has been updated this year.*

** LTIR (Lost Time Incident Rate): (No. of incidents involving lost time/No. of hours worked) * 200,000. This rate refers to the frequency of accidents. Does not include en route accidents and relapses.*
*** TRIR (Total Recordable Incident Rate): (No. of accidents recorded (according to OHSAS)/No. of hours worked) * 200,000. This rate refers to the frequency of accidents. Does not include en route accidents and relapses.*
**** Severity Rate (SR): (No. of days lost through incidents/Total no. of hours worked) * 1000. This rate refers to the severity of accidents. Does not include en route accidents, but does include days lost due to relapses.*
***** Frequency rate No. of processes involving occupational incidents with leave, not including en route accidents and relapses during the working day, for every million hours worked by workers exposed to the risk. (Accidents with leave/Total hours worked) * 1,000,000.*
****** Construction information is not broken down separately for men and women at this time.*

The construction work in 2024 involved 124,368,370 working hours (compared to 106,002,436 in 2024), including hours worked by subcontractors, meaning that the Company had to manage a volume of more than 45,404 workers at peak time (including Company and subcontracted workers), 12.7% more than in the previous year.

With regard to the statistics on accident rates at construction sites, in 2024 both the lost time incident rate (LTIR) and the total recordable incident rate (TRIR) were once again well below the targets set by the Company. The increase in accident rates is related to an increase in the accidents recorded and a decrease in the hours worked, although there were no fatal accidents this year. The Company monitors recorded accidents and adopts measures to maximise worker safety in all phases of project development, based on a solid Management System that is extended to suppliers and subcontractors.

In terms of office accident rates, the figures are similar to those of the previous year.

In addition to the data mentioned above, the Group monitors absenteeism rates throughout the Company. The absenteeism hours for 2024 are shown below, which show an increase compared to the previous year as a result of the 23% increase in the workforce.

Total number of absenteeism hours	2023	2024
	450,267	454,252

Finally, in promoting healthy lifestyle habits among employees, Madrid staff took part in the Companies' Race held in December 2024.

15.4.7 Social relations

The Company focuses its efforts on continuously improving its working environment, recognising the importance of its own staff in achieving its objectives.

In relation to the organisations representing TR employees, there are various specific committees for Equality, Training, Health and Safety, and the International Assignment, among other ad hoc committees or tables for specific matters when considered necessary, with which TR meets on a regular basis or when necessary, to facilitate dialogue and improve the quality of life of all employees. The climate of respect and mutual commitment was maintained in 2024, which has allowed important agreements to be reached that have resulted in the well-being of and improvements for all employees, including with regard to international assignment policies, victims of gender-based violence, implementation of the voluntary and reversible intensive working hours, flexible working hours, equal opportunity measures, training plans, professional development, health and well-being, communication, etc.

Técnicas Reunidas is aware of the role played by trade unions as legal representatives of employees and of the improvements achieved through these relations. Therefore, the Company guarantees at all times equal and non-discriminatory treatment of its employees, respecting their freedom of association in line with the collective bargaining agreement of each of the countries in which the Company operates.

All this contributes to generating a better working environment, strengthening its capacity to retain and attract talent, and highlighting social dialogue as a necessary instrument to maintain a good working climate, and a motivated workforce ready to face the challenges of the future.

In relation to other mechanisms and procedures that the Company has in place to promote employee involvement in the management of the Company, in terms of information, consultation and participation, the Company carries out work climate surveys at least every two years to find out how satisfied its employees are with their jobs, their relationship with the Company and their superiors, and their workload, through which action plans are developed and improvement are made that result in the well-being of staff and mutual communication.

15.4.8 Employees covered by a collective agreement

For all countries where there is a collective bargaining agreement, 100% of the employees are covered by the collective bargaining agreement associated with the activity licence granted to the Company (engineering, construction, etc.), as was the case in 2023. In addition, health and safety clauses are included in all collective bargaining agreements, which are adapted to the corresponding local law.

15.5. Information on respect for human rights

Técnicas Reunidas considers respect for human rights to be a priority in carrying out its activities and an essential part of its corporate culture. This strategic approach is even more relevant for the Company due to its large international presence, sometimes in geographical areas with a high risk of human rights violations.

Therefore, TR ensures that all its activities are conducted in accordance with the values and principles contained in the United Nations Global Compact, of which it has been a signatory since 2011.
The Company therefore has a sustainability management framework based on its Sustainability Policy, which describes the Group's main commitments in terms of corporate governance, environmental and social matters, including respect for human rights among its social commitments.

In addition, since 2023 the Company has adopted a Human Rights Policy that is based on the main national and international regulations, and on the highest human rights standards. This Policy refers to the Universal Declaration of Human Rights and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, among others. This Policy also includes key aspects for both the Company and its stakeholders, such as the rejection of forced or compulsory labour and child labour, the prohibition of slavery, respect for diversity and non-discrimination, just and favourable working conditions, the rejection of corruption in all its forms, the preservation and promotion of the biodiversity of ecosystems, the promotion of the transition to a low-carbon economy, the commitment to carry out its projects in a sustainable manner, the promotion of initiatives of cultural, social and economic value, and respect for local communities to foster their inclusion and socio-economic development through education and training.

In addition, the Company has various internal policies and procedures that ensure its commitment to human rights in all the territories where it carries out its activity, such as the Sustainability Policy or the Company's Code of Conduct, which includes the commitment to always act in accordance with current law, obtaining declarations of compliance with and respect for human rights in accordance with internationally accepted ethical practices. This formal declaration also includes Técnicas Reunidas' total rejection of child labour and forced or compulsory labour, and the corporate commitment to respect freedom of association and collective bargaining and to recognise the rights of ethnic minorities in the countries where it operates, rejecting any form of discrimination and exploitation, and thus ensuring compliance with the conventions of the International Labour Organisation (ILO).

The Code of Conduct, the Sustainability Policy and the Human Rights Policy extend to the Company's entire value chain. In particular, Técnicas Reunidas has a Supply Chain Code of Ethics, available on the corporate website, which includes specific ESG requirements (environmental, health and safety, work practices, data protection and human rights) for third parties with which the Company interacts, such as suppliers or subcontractors. In addition to complying with a strict due diligence procedure, they must guarantee compliance with minimum standards in the areas indicated to ensure that the Company's supply chain is in line with the legal frameworks in force and with the specific human rights requirements in accordance with their activity and level of risk. To identify and repair possible abuses, the Company carries out human rights compliance assessments.

Técnicas Reunidas also has an Internal Reporting System (formerly the Whistleblower Channel), in accordance with the requirements established by Law 2/2023 on the protection of persons who report regulatory and anti-corruption violations. This secure and confidential channel, which is available in several languages, allows employees, third parties and other stakeholders to report possible breaches or irregularities within the Company or in their sphere of activity. Information where there is reasonable suspicion or evidence of legal violations and breaches of internal regulations, such as the Code of Conduct and other corporate policies, can be reported through the channel. Serious criminal or administrative offences, occupational health and safety violations, and breaches of EU law can also be communicated through the channel.

The communications received, which may be filed anonymously, are treated under strict confidentiality standards and in compliance with Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons reporting breaches of Union law. The receipt and management of the communications received through this Internal Reporting System is the responsibility of the collective body designated by the Company for these purposes.

In 2024, a total of six complaints of workplace harassment were received through the Whistleblower Channel. In addition, two corruption-related notifications were reported: one in the framework of a third-party procurement process and the other in relation to hospitality offered to third parties. Both notifications were in the process of being investigated at year-end. None of these complaints related to respect for freedom of association and the right to collective bargaining, discrimination in employment and occupation, forced or compulsory labour or child labour.

In any case, the complaints under investigation are not expected to have any impact on the Company and it can be confirmed that no claims, fines, penalties or significant complaints were received in 2024 for issues related to anti-trust and anti-competitive behaviour, and monopoly practices.

However, if, despite all the measures implemented by the Company, it detects any human rights violations or other actions with a negative impact on those rights, Técnicas Reunidas will act by immediately implementing the appropriate measures in each case, taking into account the zero-tolerance principle as regards such actions.

15.6. Information related to the fight against corruption and bribery

15.6.1 Management approach

The Code of Conduct shows the Company's commitment to the highest standards of ethical conduct, establishing the principles and values that the Group and all its professionals must observe at all times in the performance of their activities so as to act with integrity, professionalism and respect for the law, human rights and internationally accepted practices. The Code of Conduct, the Supply Chain Code of Ethics, together with the integrity policies, including the Anti-Corruption Policy and the Internal Reporting System (Whistleblower Channel), are the main tools used by Técnicas Reunidas to prevent corruption, bribery, money laundering and terrorist financing.

The Group also has a Regulatory Compliance Area, responsible for implementing and managing the Criminal Compliance Management System tasked with the dissemination of the Code of Conduct, the Criminal Commercial Policy and their related policies, the review and adaptation of prevention and reporting systems, and training in this area.

The establishment and dissemination of these policies, through face-to-face and online training sessions, and their internal publication on the TR Group's intranet, lead to the conclusion that the objective of these policies has been met, in that the Company and all its members have been made aware of the standards of conduct expected of the organisation with regard to corruption and bribery risks, based on the principle of 'Zero tolerance for corruption and bribery'.

Against this backdrop, the Regulatory Compliance Area continued its anti-corruption and anti-bribery training, mainly aimed at the Técnicas Reunidas management team and particularly exposed persons, given their key role in the Group's decision-making chain.

To strengthen the CCMS, the Company also has various policies and procedures in place, including the following: Gifts and Entertainment Policy, Policy on Relations with Public Officials, Conflict of Interest Policy, Anti-trust Policy and Donations, Sponsorship and Patronage Policy.

In 2024, Técnicas Reunidas continued to improve its CCMS to maintain the UNE 19601 certification for its Criminal Compliance Management System, which was certified by AENOR in January 2023 and will be in force until 2026. This standard establishes demanding requirements for the criminal compliance management system with the aim of going beyond compliance with the law, and helps companies and organisations to prevent crimes from being committed, promotes a culture of ethics and compliance, and reduces criminal risk, providing a greater guarantee of security and confidence to governing bodies and stakeholders.

Similarly, the Company has included the relevant clauses in the documents establishing business relationships with third parties on the commitments and obligations regarding the prevention of corruption and bribery, respect for human rights and Western international sanctions regimes, failure to comply with which may result in the termination of the business relationship.

Throughout 2024, Técnicas Reunidas continued to improve its due diligence procedures in its supply and subcontracting chain with the aim of obtaining a third-party integrity assessment report before entering into the business relationship, which allows for the prevention and/or early detection of potential integrity risks, and their subsequent and continuous monitoring.
In turn, the Internal Due Diligence Procedure has continued to be improved as regards personnel selection and hiring processes, in particular for those positions and duties that, due to their nature, are considered to be particularly exposed from the point of view of integrity risks.

The Regulatory Compliance Area collects Conflict of Interest Statements on a regular basis (normally annually), particularly on the group of particularly exposed persons and those who, as a result of the duties they perform, have contact with third parties during the award processes or other relevant areas from the point of view of the risk of corruption (i.e. Procurement, Subcontracts, General Services, Human Resources, IT or Business Development).

15.6.2 Contributions to foundations and non-profit organisations

In 2024, Técnicas Reunidas' contribution to foundations and non-profit organisations amounted to EUR 1,337,877.11 compared to EUR 267,880.51 in 2023, an increase of 399%. This increase is mainly due to donations amounting to EUR 1,024,000 to those affected by the DANA Storm For more information, see section 15.7.2.

The Company has made social contributions within the framework of projects amounting to EUR 33,954.18, and a social investment in training of EUR 2.69 million in 2024, as detailed in section 15.7.1.

15.7. General information on the Company

15.7.1 The Company's commitment to the sustainable development of local communities

Técnicas Reunidas is a leading company in the engineering sector on an international scale, with a presence in 26 countries and a track record that totals more than 1,000 industrial plants throughout its over 64 years of experience carrying out major projects.

Técnicas Reunidas' activity focuses on the development of engineering projects, design and management of the construction of industrial plants to produce clean fuels, natural gas and chemical products, and solutions linked to the energy transition, circular economy and decarbonisation (renewable hydrogen, biofuels, waste recovery, CO_2 capture and storage, etc.).

The Company contributes through its activities to protecting the environment and combating climate change by developing technical solutions that enable it to design sustainable and efficient plants for its clients, helping them to achieve their sustainability and decarbonisation objectives. In the exercise of responsible business conduct, Técnicas Reunidas offers quality jobs for its professionals, promotes equality, fosters research and innovation, as well as carrying out actions so that its projects contribute significantly to the sustainable development of the local communities in the countries where it operates. With this objective in mind, the ‘ESG Projects’ figure has been consolidated within the Sustainability Area, which focuses on managing the ESG impact of the Company’s projects.

Técnicas Reunidas has strengthened its continuous dialogue so that it is aware of the concerns of the Company’s stakeholders, particularly those affected by the projects. As part of this commitment to the local community, the Company encourages hiring people that live in the areas where its projects are carried out, thus improving the quality of life of society.

The success of Técnicas Reunidas’ social impact is due to the integration and acceptance by all the Company’s stakeholders of the Sustainability Policy and the United Nations Sustainable Development Goals (SDGs). With the aim of promoting best practices and placing the Company at the forefront of sustainability, it carries out various activities aimed at generating value in the environment in which it operates, increasing its social contribution to local communities, offering solutions linked to the energy transition and collaborating on projects that promote the development of vulnerable groups or that aim to raise awareness on matters that contribute to sustainable development.

Stakeholders are at the centre of the sustainability strategy and form part of all activities, both corporate and operational. Técnicas Reunidas’ objectives and lines of action encompass environmental, social and governance aspects, providing added value and increasing the positive impact, while avoiding, mitigating and remedying real or potential negative effects, and adapting them across all projects.

Due to this commitment to all stakeholders, Técnicas Reunidas has continued to apply its Human Rights Policy, approved in 2023, which reflects its commitment to the well-being of all people in all geographical areas where it operates. In addition, the Company has carried out a number of training activities that include specific human rights content.

To promote all these initiatives that form part of the sustainability strategy, Técnicas Reunidas has developed the 2024-2026 Sustainability Plan, which includes the Company’s global objectives and goals, taking into account the opinions of stakeholders. This Plan is a continuation of the 2021-2023 Sustainability Plan and was developed in collaboration with the main areas concerned (Finance, Operations, Sustainability, Human Resources, Regulatory Compliance, Track and IT) and with the help of a leading international consultant. The Plan contains more than 90 specific measures, including the following:

- Promote campaigns to raise awareness among employees and local communities regarding sustainability issues.
- Extend the actions comprising the Social Management Plan to other geographical areas and develop a social contribution policy.
- Review the stakeholder map at the corporate level and promote stakeholder consultation.
- Develop a continuity plan for new initiatives taken on or partnerships promoted by third parties regarding sustainability matters, taking into account the locations of Técnicas Reunidas’ projects.

Técnicas Reunidas has pledged to review on a regular basis the results obtained in relation to these goals, to identify areas for improvement and update the objectives as necessary to ensure compliance. The Company also discloses the progress made regarding its Plan and reports to the Company’s Board, which supervises the Group’s entire sustainability strategy, with the support of the Audit and Control Committee within the scope of its competencies.

Due to its commitment to well-being and the positive impact on society and the environment, Técnicas Reunidas has been a signatory to the United Nations Global Compact since 2011. In September 2015, this organisation launched a roadmap known as the 2030 Agenda, which sets out the 17 Sustainable Development Goals (SDGs). As explained in the Técnicas Reunidas Sustainability Policy, the strategy has been implemented since 2022 that aims to create value in a sustainable manner and provide high added value services that enable the Company to design efficient, sustainable and environmentally friendly industrial plants. The aim is for them to contribute to combating climate change and the transition to a low-carbon economy, taking advantage of the business opportunities derived from their high technological qualifications and demonstrating its commitment to the Sustainable Development Goals.

Specifically, Técnicas Reunidas contributes to the following SDGs:

- SDG 7: Affordable and clean energy. Related to the diversification work being developed, and the search for new business opportunities related to the energy transition, clean energy and new technologies.

- SDG 9: Industry, innovation and infrastructure. Design sustainable and resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.

- SDG 13: Climate action. At Técnicas Reunidas we incorporate measures related to climate change in the Company's policies, strategies and action plans on emissions to contribute to decarbonisation.

In particular, the technical solutions developed by the Company and its actions aim to create value in the environment and in the communities in which it operates:

- Design and build quality, safe and sustainable facilities, promoting energy efficiency and universal access to energy services.
- Contribute to the decarbonisation of the economy and preserve the environment through the projects it promotes and in which the Company collaborates.
- Promote the contracting of local suppliers and subcontractors with the aim of generating a positive socioeconomic impact on the environments in which it operates.
- Support local talent and invest in their training.
- Preserve cultural and natural heritage, promoting the efficient management of resources and their reuse where possible.
- Collaborate with institutions in the fields of culture, science, research and education.
- Responsibly manage the risks and opportunities derived from the evolution of the environment, avoiding short-term approaches or those that do not adequately consider the interests of all stakeholders.
- Use the most appropriate channels of communication, participation and dialogue with local communities.

Técnicas Reunidas has therefore took the following actions in the various regions and communities where it operates:

- Bring on a social manager in the projects in Mexico to strengthen relations with local and indigenous communities, supporting public authorities or social organisations of reference.
- Promote sustainable development in the regions where Técnicas Reunidas operates.
- Update the Company's Code of Conduct and respect the cultural rights of all individuals and communities.
- Preserve and promote economic and social rights and cultural heritage, ensuring adequate resettlement of local communities where necessary.
- Carry out an analysis of drinking and non-drinking water in the areas where projects are implemented in Mexico, Merida and Valladolid.

In all its projects and during the execution phase, Técnicas Reunidas prioritises the identification and management of possible associated risks in local communities, in particular, potential damage to the local environment that may arise from the project. To prevent these or any other risks, the Company has a Social Management Framework that is implemented through policies and action protocols. The Framework allows us to plan the actions required, in which fluid and constant coordination and collaboration with local communities and other local stakeholders (public authorities, partners, suppliers or subcontractors) is critical.

SOCIAL MANAGEMENT FRAMEWORK	
Evaluation and management of social impact	Specific analysis at the bidding phase of the social impact of each project. Obtaining the 'social license' is the client's responsibility.
Projects supporting the local community	Técnicas Reunidas finds out about the needs and expectations of the local community so that it can analyse the ways in which it can support them according to the characteristics of each project.
Continuous monitoring of the local environment	Técnicas Reunidas continuously monitors the local environment, as well as the performance of third parties involved in the implementation of projects, including suppliers and contractors.
Social impact grievance and reparation mechanisms	The Company analyses local regulations to detect possible negative social impacts and make appropriate complaint and restoration mechanisms available to the community.
Dialogue with local communities	The project manager maintains an ongoing dialogue with representatives of the local community throughout the life of the project.

These stakeholders include local communities, which are at the centre of Técnicas Reunidas' projects, promoting staff recruitment and training, encouraging social impact and improving the environment, and mitigating any adverse environmental and cultural effect, as included in the Group's Human Rights Policy.

Along with this corporate policy, due diligence procedures are applied to all third parties with which Técnicas Reunidas has a business relationship, thus avoiding any undesirable issues for the Company. It also has a Supply Chain Code of Ethics to reinforce these principles.

Given the key role played by Técnicas Reunidas' employees in the projects, the suitability of its professionals to the environments in which they operate and their preparation for executing each project is thoroughly analysed. The hiring process and the Social Management Framework allow local hiring requirements to be met and balanced with the need for expatriate labour, within the deadlines established for the successful and timely implementation of the projects.

Some of the social actions with a positive impact that were carried out in various projects in 2024 are detailed below:

- Employability of personnel and strengthening of the local business fabric. In 2024, the number of Técnicas Reunidas professionals increased with respect to 2023, reaching 10,451 employees. 52.94% work outside of Spain.
- Técnicas Reunidas has contracted suppliers and subcontractors in Spain, strengthening the positive economic contribution to the country, investing EUR 425.01 million, which represents 13% of total procurement and subcontracting expenditure in 2024.
- Purchases and supplies abroad amounted to EUR 2,785.19 million, which represents 8% of total procurement and subcontracting expenditure. These figures are not incompatible with the purchasing criterion, considering the strong international nature of the Company's business model.
- Technical training, both in the STEM field and in other subjects, aimed at local and subcontractor personnel, has meant a social investment in training by Técnicas Reunidas of EUR 2.69 million.
- Facilitating access to energy and the creation of infrastructure in the projects where Técnicas Reunidas has a presence.
- Development of corporate volunteering initiatives with local communities, with a special focus on vulnerable groups. In 2024, social contributions of EUR 33,954.18 were made within the framework of its projects (compared to EUR 31,714.07 in 2023). Some of these volunteering programmes and solidarity campaigns were:

- The collaboration with AUARA for the supply of bottled water at the offices has provided 427 people with drinking water, providing almost 4 million litres and saving 28,000 hours in water collection.
- Handing out food or drinking water in areas where these resources are limited;
- Renovation work on buildings or surfaces and cleaning of public spaces.
- Delivery of school materials, sports equipment and toys for children.

In turn, Técnicas Reunidas increased its positive impact on society in 2024, raising awareness among the workforce about participation, humanitarian aid and human rights, etc. One example of this is the multiple reports supporting social actions such as collecting food and clothing or encouraging blood donations with the Red Cross. The most noteworthy initiatives promoted from the TR headquarters in Madrid are as follows:

- Técnicas Reunidas allocated EUR 1,337,877.11 to foundations and non-profit organisations in 2024 compared to EUR 267,880.51 in 2023 (an increase of 399%). This increase is mainly due to donations amounting to EUR 1,024,000 to those affected by the DANA Storm.

- The Company has collaborated in the food collection organised by Cáritas by carrying out an internal dissemination campaign and making the organisation's facilities available so that professionals can participate.

- The Company has carried out a major external communication campaign, Participative in numerous employment forums, working on the search for present and future talent, paying special attention to and highlighting the important role played by women in the sector.

- In 2024, within IndesIA, Técnicas Reunidas led the design and development of a Mentoring Programme with the School of Industrial Engineers of the Polytechnic University of Madrid.

15.7.2 Partnership or sponsorship actions

Técnicas Reunidas develops its social action through four lines of work: education, social and business initiatives, culture and science and research. The initiatives carried out in each of these areas are proof of its commitment in this area and are deployed through numerous activities and projects.

To carry out this social work, the situation is located and assessed before starting the work with other organisations, sharing objectives by studying the opportunity to collaborate, both financially and through other instruments, such as Participative in working groups or forums, but ruling out any type of associations, partnerships and economic contributions to political parties.

Main organisations Técnicas Reunidas collaborates with

- **Promotion of sustainability in business and entrepreneurial activity**

- **Commitment to social and environmental action by Técnicas Reunidas**

- **Culture**

- **Science and research and education**

Técnicas Reunidas collaborates with various leading organisations in the field of sustainability, such as the United Nations Global Compact, Fundación Seres, Forética, Carbon Disclosure Project and the Sustainability Excellence Club.

At the sector level, Técnicas Reunidas collaborates with various associations and organisations that promote transparency and responsibility, related to the Company's business activities by promoting its business and entrepreneurial activity.

In the area of association and sponsorship, the main risks are those derived from the possibility that improper actions by a third party could generate reputational problems for the Company. To avoid any type of contingency in this regard, Técnicas Reunidas carries out due diligence procedures in these types of activities, assessing in each specific case whether the organisations with which Técnicas Reunidas works could be detrimental to the Company and regulating these actions and many others through its Code of Conduct.

15.7.3 Subcontracting and suppliers

Técnicas Reunidas' subcontractors and suppliers play an important role in its value chain, mainly during the procurement and construction phases of the plants that, due to their large scale, require the participation of a large number of workers from suppliers and subcontractors to be implemented.

To manage this complex supply chain, Técnicas Reunidas has a management framework governing the two main areas responsible for the supply chain: the Procurement Area (responsible for purchases from suppliers of materials and equipment) and the Construction Area (responsible for construction and assembly subcontracting).

Técnicas Reunidas' main aim in managing its supply chain is thus to achieve competitive procurement of materials, equipment and assembly services in line with the standards demanded by the sector. A key aspect for the Company is that its supply chain must be in line with its values and meet the highest quality standards. Therefore, both suppliers and subcontractors must adhere to the Supply Chain Code of Ethics through the e-Supplier Portal. This Code of Ethics describes the standards of conduct expected of these third parties and establishes a series of requirements in matters such as health and safety, the environment, ethical and integrity, environmental, social and employment principles, and human rights protection, and includes specific requirements in line with ISO 14001, such as compliance with environmental regulations and sustainability reporting.

To strengthen the integrity of the supply chain and mitigate potential associated risks, the Company has had a Third-Party Integrity Assessment Policy and Procedure in place since 2020 that describes and regulates the integrity analysis before entering into any business relationship. This strict due diligence process includes the assessment of risks regarding corruption, human rights (based on the framework of the United Nations and the International Labour Organisation), international sanction lists, money laundering or terrorist financing. This Policy establishes different levels of preliminary risk that give rise to differentiated integrity analyses: standard, enhanced or very enhanced.

Given the strategic nature of carrying out these integrity analyses of suppliers and subcontractors, internal KPIs were established in 2024, linked to the implementation of the Due Diligence Policy, for monitoring and control purposes.

The risks in the supply chain include production risks (which are minimised through exhaustive monitoring of the progress of work), financial risks (managed through an assessment before awarding contracts) and those associated with lack of quality (which are controlled through monitoring during the execution of the work).

The main impacts on its supply chain this year have been the increase in the price of land transport from the place of origin to port, mobility restrictions, reduced availability of personnel, quarantines and delays.

As a result of the pandemic, many industrial inspection professionals have withdrawn from this sector, putting pressure on the supply of these services, which has been further exacerbated since 2022 due to the increase in industrial investments. Consequently, the Company has been exposed to a shortage of professionals in certain types of supplies and geographical areas and to an increase in inspection costs, as in the case of inspectors for rotating machines in Europe and Saudi Arabia.

The high volatility of commodity and energy prices has had an impact on the economic and operational viability of the projects, and on new investments; for example, it has meant that construction solutions such as heating and hoarding and the like are no longer viable. In addition, it has also had a localised effect on some projects in areas close to the conflict due to labour shortages.

It should be noted that the level of activity in the sector and the number of projects worldwide rose significantly in 2023 and 2024. This leads to a greater shortage of available subcontractors to execute the projects, means that orders exceed the capacity of suppliers, and results in greater competition for technical resources, which entails significant risks in the execution of the projects both in terms of time and cost.

Técnicas Reunidas has strengthened its operations by optimising its processes to increase efficiency, thus improving the services offered and consolidating a more competitive position in the market. The main actions to adapt the supply chain and project implementation are detailed below:

- Hedging through the purchase of futures and financial entities to insure nickel, copper, silver and palladium.
- Implementation of price review formulas for the purchase of metal structures.
- Technical and commercial agreements with suppliers.
- Maximisation of work in prefabrication workshops and its subsequent transfer to projects to reduce costs.
- Reinforcement of internal communication and coordination.
- Ongoing communication with subcontractors to adapt the contractual terms (subject to customer authorisation) and manage any unforeseen circumstances. Negotiation of new terms and agreements with subcontractors.
- Digital innovation as the core of transformation: predictive modelling and AI-driven applications, digitisation and automation of processes, virtual assistants and data mining.
- Finding logistics containers within the same country of origin to ensure supply to the site.
- Planning the contracts awarded for logistics services in projects close to the start of the execution phase, to avoid contractual commitments that would force the project to operate with transport costs affected by the volatility of the markets.
- Actions implemented within the framework of the Sustainability Policy in the supply chain.
- Considering the market situation in which there is a high demand for inspection professionals at suppliers and manufacturers, and a low supply, the Company has qualified a greater number of inspection agencies by promoting geographical specialisation of the agencies, also strengthening agreements between local branches of Técnicas Reunidas in the UAE and Saudi Arabia with domestic agencies. Other measures taken to address the shortage of inspectors have been to recruit inspectors at local branches, taking advantage of the increased number of projects to train them, and to implement a “Saudisation scheme” that involves training assistant inspectors in partnership with a Saudi educational institution (ITQAN) in the field of vocational training.

In addition to the tools mentioned above, Técnicas Reunidas has a worldwide database of 31,870 material suppliers and construction subcontractors (in 2023 it had 29,197), of which 2,203 suppliers and 1,219 subcontractors have already been approved by the Company (compared to the 2,161 suppliers and 1,138 subcontractors approved in 2023). This global platform with updated information allows the Company to mitigate the risk in the selection of suppliers and subcontractors from the financial, integrity, performance and quality points of view, among other aspects.

Due to the nature of its business, each year the Company handles high volumes of purchases and subcontracts. The Company maintained a high level of local purchasing and subcontracting in 2024, thus promoting local consumption and the local economy, which is also the result of Técnicas Reunidas’ commitment to sustainability, in line with that obtained in previous years. In 2024, the total spending on purchases from suppliers of materials and subcontracts stood at EUR 3,210 million. The number of employees of construction subcontractors assigned to TR projects exceeded 38,240 workers on average (and 42,714 workers at peak times).

These two areas manage the Técnicas Reunidas supply chain in accordance with five pillars:

- Constant innovation in the management of the supply chain.
- Presence of rules and regulations in all processes (bidding, award and management).
- Development of annual internal strategic plans in line with the Company’s overall objectives and responding to the business context.
- Existence of an Integrated Management System that enables both individual and global evaluation and monitoring of suppliers’ and subcontractors’ performance.
- Centralised contract award system that ensures transparency throughout the award procedure for suppliers and subcontractors.

In line with the above and in relation to the digitalisation of processes, the Third Party Integrity Assessment Procedure has been consolidated, with a single advanced repository that allows documentation to be centralised and managed at a single point. These advances optimise the visualisation of the workload assigned to each party, the status of documentation and efficient document searches.

The use of AI applications to automate tasks and improve the accuracy and efficiency of the decision-making process was well established by 2024. Emphasis has been placed on the use of virtual assistants and on enriching the database by structuring unstructured information, thus optimising its subsequent analysis and exploitation.

In terms of cybersecurity, the cybersecurity training campaigns for all procurement personnel continued in 2024, the content of which is constantly being updated, thus allowing security in this area to be continuously reinforced against cyber-attacks.

In addition, the security of third-party access to our Smart tool has been strengthened by establishing an approval protocol and creating a centralised register of all users with access, the dates on which access was granted and withdrawn, and the definition of their roles and permits.

As described at the beginning of this section, the Company considers integrity to be a key element in its relations with its suppliers and subcontractors. After the delivery of the supply or completion of the assembly services, the performance of the supplier and the subcontractor are assessed in accordance with various aspects. Safety and environmental performance are two of the aspects included in Técnicas Reunidas' evaluations. Since 2014, the Company has implemented the use of a specific checklist for health, safety and environmental conditions at the workshops, which is filled out by inspectors during their visits.

As part of the implementation of the Sustainability Policy, the Procurement Area carried out the following actions in 2024:

- Gather ESG data, included in the pre-qualification questionnaires (e-Supplier) since 2022.
- Compliance KPIs have been reported with the percentage of suppliers required to carry out due diligence studies.
- Training, coaching and awareness-raising among procurement staff on sustainability and cybersecurity.
- Training of the supply chain on sustainability through a Sustainable Supplier Training Programme.
- Submission of CBAM (Carbon Border Adjustment Mechanism) reports.

The actions described above reinforce the consideration of ESG criteria within the processes related to the supply chain and reaffirm Técnicas Reunidas' commitment to improving its social and environmental performance.

Similarly, subcontractors undergo monitoring during the execution of the work to ensure compliance with all contractual requirements.

These audits involve the inspection of all work performed by the subcontractor, which is only accepted once Company inspectors have verified that it has been carried out in accordance with the project designs and specifications. The verification of corrective actions is a regular practice during these inspections, which is documented in detail in the quality dossiers submitted to the client.

In 2024, a total of 46 HSE assessments were carried out (310 were carried out in 2023), of which 41 (89%) were completed successfully (compared to 289 in 2023) and 5 (11%) were not completed successfully (21 were not passed in 2023). The decrease in HSE assessment indicators in 2024 —86% compared to the previous year— is due to a change in the criteria for HSE assessments in 2023 to maximise the Company's efficiency, focusing the HSE sampling on the facilities of the most representative vendors and, therefore, with a greater presence of their staff. The criteria for gathering data are adjusted for taking a sample at those facilities where the decision has been made to implement resident inspectors in the seller's facilities.

In addition, the Company carries out assessments of its supply chain including, among others, social and environmental criteria. Therefore, a total of 1,780 suppliers were analysed in 2024 (1,448 in 2023). In no case were significant impacts identified in the supply chain in relation to these issues.

In 2024, important developments were implemented in the PCO application to detect and mitigate risks related to supply chain management. In collaboration with the Cost Control Department, a new functionality has been developed that allows the recovery forecasts that could be affected by unforeseen circumstances to be continuously updated. In addition, a new tool has been implemented to identify and mitigate risks related to the management of supplier warranties, aligning them with the requirements set by our clients.

Finally, a new pre-litigation tool has been implemented to identify supplier disputes early and so that all relevant information and correspondence can be linked.

In addition, new synergies have been created with the Quality Division and various technical disciplines to ensure compliance with material conformity and certification obligations, and compliance with guaranteed performance values before closing the orders.

The new activity recording system implemented in the Close-Out Department allows the workload to be better analysed so as to optimise resource planning.

Procurement terms have been updated to ensure the distribution of risks through the supply chain. Accordingly, situations of force majeure are more closely monitored to be able to specify the economic and planning impact through cause-effect relationships. This new procedure makes it possible to foresee the impact on other links in the chain and to be able to take mitigation measures. In addition, the model of customer subrogation in guarantee rights has been standardised, with the content of this right provided in detail so that the general aspects of the lessons learned can be obtained. New contractual mechanisms have also been put in place to ensure effective remedies for supplier defaults.

15.7.4 Consumers

Técnicas Reunidas does not have consumers, as the concept of this term is defined in Spanish regulations.

As regards its clients, the Company ensures that its projects, up until the moment they are delivered, meet both its own health and safety standards, and those required by the client and applicable law, which is included in the Safe Start-Up Plan. The Company evaluates 100% of its projects from the point of view of health and safety, protecting its collaborators at all times.

To guarantee the health and safety of its customers, TR carries out its projects, where appropriate, at sites owned by the customers, who normally start operating the plant once it has been delivered, with the customer assuming responsibility for the health and safety of its own workers.

As regards the systems for claims, complaints received and their resolution, customers have ongoing dialogue with the manager of each specific project, and they also have the possibility of communicating with members of the Operations department. The manager of each project is responsible for receiving any complaints that clients may wish to report to the Company. The Company assesses (in each case with the collaboration of the necessary internal and/or external personnel) the merits of the claim and complaint and approves the measures required for its resolution.

In addition, all contracts signed by the Company with its clients establish mechanisms and procedures for conflict resolution that are fully adapted to the circumstances of each client and project. Similarly, customers have at their disposal, as any other business partner, the Internal Reporting System of Técnicas Reunidas.

TR's risks relating to the management of its customers are included in the general risk procedure and, among many other mitigation mechanisms, they focus on adequate communication with the customer for the correct execution of the projects. This communication must take place from the bidding phase, clearly defining their needs and the terms of the Company's proposal, through to the full completion of the project. Improper management of a client by the Company can lead to delays in execution, the application of penalties and, ultimately, the rescheduling or cancellation of the project. Similarly, there may be occasional and external cases, such as the COVID-19 virus at the time, which, on an exceptional basis, may make it difficult to execute the projects and lead to delays or even their cancellation.

The Sustainability Policy establishes the Group's principles of conduct to understand the needs and expectations of its customers and to offer them the best solutions, with the aim of always taking care of and increasing customer satisfaction, strengthening their link to the Group. The following principles of conduct are therefore adopted:

- Provide advanced technical solutions that enable clients to have sustainable and efficient industrial plants to develop the best sustainability policies and achieve their objectives.
- Pursue continuous improvement of the services it provides to its clients in the different countries in which it operates.
- Monitor the quality of the service provided to its clients.

Técnicas Reunidas applies the same due diligence procedures with its clients as it does with the other third parties with which it operates.

15.7.5 Tax information

The body or office responsible for the tax strategy is the Board, which has approved the Tax Compliance Policy, the Internal Tax Risk Manual and the Statute of the Group's Tax Compliance Body, which set out the Company's tax strategy and internal tax risk management procedures. The Tax Compliance Policy also includes training actions and internal research plans in this area. The Tax Compliance Policy, and thus the tax strategy, is reviewed on a regular basis. In addition, in 2022 the Company adhered to the Code of Good Tax Practices developed and approved by the Large Companies Forum to promote a reciprocally cooperative relationship between the Tax Agency and the companies that subscribe to it.

In 2024, a new body in charge of tax compliance control was created, the Tax Compliance Body, which is a collective body with powers of initiative and control, and the greatest possible independence to carry out its tasks. It will ensure proper compliance with this Tax Compliance Policy by establishing the necessary internal control mechanisms and standards, and reporting to the Management Committee and to the Audit and Control Committee.

Likewise, the premises set out in AENOR's UNE 19602 standard were taken into account when redesigning the Tax Compliance Policy, thus generating a new internal tax compliance management model and adapting the system to comply with the requirements of the standard and obtaining certification for the system after passing an AENOR audit.

In addition, the Group prepares tax strategies at the bidding stage of projects to minimise the risks that may arise. These strategies are defined with the help of local advisors in all markets, including those that are customary for the Group. In any case, these tax strategies are prepared in accordance with the applicable legal frameworks and considering the Group's business strategy.

The Group operates in countries where it carries out a single project or a set of projects for the same client, and therefore information broken down by country may prejudice the commercial and implementation interests of the projects. The data are presented aggregated by geographical area using the same criteria used for different financial indicators presented in the consolidated financial statements.

On the other hand, as it is aware of its tax liability and the complexity of its operations, the Company has launched a tax model based on BEPS value chain criteria that seeks to correctly allocate taxation in those jurisdictions where value is created. To reduce the risks in applying this policy, the Group has signed an advance pricing agreement with the Spanish Tax Agency to guarantee the terms of application of this policy.

Lastly, the Group is enhancing the agreements signed, whereby in 2024 its signed an agreement with the Spanish tax authorities on management support services and rulings with various tax authorities to reduce risks in applying the tax policy and avoid possible tax contingencies.

- **Contribution by geographical area to the consolidated income statement before taxes**

	Profit/(loss) before tax in thousands of Euros	
Geographical area	**2023**	**2024**
America	10,281	(95,058)
Asia	53,738	15,151
Spain *	164,569	229,437
Europe	56,314	(30,705)
Mediterranean	1,552	949
Middle East	(182,707)	26,314
Total	**103,748**	**146,088**

** The results by region represent their contribution to consolidated profit before tax prepared in accordance with EU-IFRS and include, among other consolidation adjustments, the elimination of all intercompany transactions. These results are therefore not representative of the taxable amounts in each region. The results of the Spanish companies that make up the Group but are accounted for using the equity method are not included.*

Countries with earnings in the year by geographical area:

America: Argentina, Canada, Chile, Colombia, the United States, Mexico and Peru.

Asia: India, Kazakhstan, Malaysia and Singapore.

Europe: Belgium, Finland, Great Britain, Italy, the Netherlands and Poland.

Spain: Spain.

Mediterranean: Algeria and Turkey.

Middle East: Saudi Arabia, Azerbaijan, Bahrain, the United Arab Emirates, Jordan, Kuwait, Oman and Qatar.

- **Corporate income tax paid**

	Income tax paid in thousands of Euros*	
Geographical area	**2023**	**2024**
America	29,501	40,963
Asia	4,707	13,418
Spain	-	2,739
Europe	7,739	8,504
Mediterranean	1,320	2,770
Middle East	4,061	24,768
Total	**47,329**	**93,163**

** Information calculated on the basis of tax criteria. These data may include payments associated with deferred liabilities under IFRSs settled locally in 2024. There is an exceptional payment in Peru as a result of the taxation system applicable in the country.*

Government grants received: EUR 3,078 thousand (compared to EUR 4,405 thousand in 2023).

15.8. About the Statement of Non-Financial Information

By means of this Statement of Non-Financial Information, Técnicas Reunidas meets the requirements of Spanish Law 11/2018, of 28 December and Delegated Regulation (EU) 2021/2178. This report has been prepared with reference to a selection of indicators of the GRI Standards identified in the table in compliance with Law 11/2018, of 28 December and taking as a reference the recommendations of the IIRC framework for integrated reporting.

In relation to the scope of this report, it includes all companies in TR's financial scope of consolidation, included in Appendices I and II of the consolidated financial statements. Where there are significant changes in this regard, a clarification note will be included.

In 2024 Técnicas Reunidas carried out a double materiality assessment taking into consideration the Corporate Sustainability Reporting Directive (CSRD) and the new European Sustainability Standards (ESRS). This analysis considers the importance of sustainability issues from two different perspectives. First, the external impact, or inside-out impact, of its activity on people and the environment. Second, the internal impact, or outside-in impact, in other words, how external events may financially impact the Company.

As part of this analysis, a study of the value chain was carried out, which is defined as the range of activities, resources and relationships linked to the Company's business model and the external environment in which it operates. The value chain includes upstream and downstream agents. Upstream agents (e.g. suppliers) provide products or services that are used in order for the Company to provide its services. Downstream agents (e.g. customers) are those that receive services from the Company.

Finally, the various stakeholders were identified, including:

- Affected stakeholders: individuals or groups whose interests are or may be affected, positively or negatively, by the Company's activities and its direct and indirect business relationships along its value chain.
- Users of the report: the primary users of financial information in general (existing and potential investors, lenders and other creditors, including asset managers, credit institutions and insurance companies) and other users of sustainability reports, including the Company's business partners, trade unions and social partners, civil society and non-governmental organisations, governments, analysts and academics.

As a result of the analysis of the Company and its value chain, various impacts, risks and opportunities have been identified at the sector level for the Técnicas Reunidas business lines and its value chain.

Impacts, risks and opportunities linked to the Company's activity have been identified through internal sources (Statement of Non-Financial Information, Integrated Report, corporate policies, previous materiality analysis, etc.) and external sources (GRI, SASB, MSCI, investor consultations, analysts, etc.). The sustainability issues that form part of the ESG risk map and the response to the different sustainability indices in which Técnicas Reunidas participates have been used as inputs in this identification process. By analysing publicly available information on companies comparable to Técnicas Reunidas, various impacts, risks and opportunities have been identified that are applicable to the Company's activity and its value chain.

Once sustainability matters have been identified in terms of impacts, risks and opportunities, the impacts are quantified and assessed. Negative impacts are prioritised by assessing their severity in terms of magnitude, extent and irremediability. Positive impacts are assessed solely on the basis of magnitude and scope. In addition, the likelihood of potential impacts materialising is considered. To ensure consistency in the assessments, a five-point scale has been developed that applies to the magnitude, extent, irremediability and likelihood.

All human rights impacts are assessed by prioritising their severity over their likelihood, given their importance to the business and the environment in which it operates.

The assessments are based on specific Técnicas Reunidas data where available. In situations where data is not available for certain impacts along the value chain, both upstream and downstream, the assessment is based on professional judgements.

Following the impact assessment, a list classifying the negative and positive impacts is drawn up. A threshold is applied that allows material and non-material impacts to be separated, whereby an issue is considered material if it scores 'high', above the threshold set from an impact perspective. This threshold is defined as follows:

<u>Impact materiality:</u> A valuation has been set for each of the impacts, whereby any results above this value are considered material, and those below are considered non-material.

In addition to the assessment of impacts, the financial opportunities and risks related to sustainability issues are also assessed. The assessment is carried out using the Company's internal risk assessment scale.

In the risk and opportunity assessment, both the magnitude of the financial effect and the likelihood of occurrence are analysed, using a five-point scale for each criterion. In addition, it is determined whether each identified risk and opportunity affects, or could reasonably be expected to affect, the Company's financial position, financial performance, cash flows, access to financing or cost of capital in the short, medium or long term.

Following the assessment of risks and opportunities, a list classifying the risks and opportunities is drawn up. A threshold is applied so as to be able to distinguish between material and non-material risks and opportunities. A risk or opportunity is considered material if it scores 'high', exceeding the established threshold. The Company's approach involves setting thresholds in relation to the maximum score that an identified risk or opportunity can reach. This threshold is defined as follows:

Financial materiality: A value has been established for each of the assessments obtained, implying that risks and opportunities above this value are considered material, while those below are considered non-material. The reason for setting a lower average value for financial materiality is because, on a scale of 1 to 5, the values obtained usually imply a lower valuation compared to impact materiality.

In addition to the Sustainability Area, the Finance and Operations Areas also played an important role in the process of identifying impacts, risks and opportunities, helping to determine and assess their likelihood and impact. Likewise, this process was developed by the Company in 2024 and has been multidisciplinary, with the participation of all the areas directly related to this matter. This preparation structure has made it possible to detect connections between impacts and dependencies with risks and opportunities in general within Técnicas Reunidas.

For all aspects that are not material for TR, this report addresses the management approach but does not give detailed information on KPIs or other quantitative indicators, given that these are not considered as representative of the Group's activities. These non-material aspects for the Company required by law are as follows: light and noise pollution, water consumption, food waste and biodiversity.

In addition, TR has prepared a traceability analysis that links aspects of the law with the associated GRI contents, published by the Company. In conclusion, Técnicas Reunidas presents the information provided in the following table (Table of compliance with Law 11/2018, of 28 December - GRI) for the period from 1 January 2024 to 31 December 2024 using a selection of indicators from the GRI Standards as a reference[24].

See the table of contents in the table attached below:

Table of compliance with Law 11/2018, of 28 December - GRI

Content	Section	GRI	
		GRI standard	Content
Business mode			
• Business environment, organisation and structure, and business model	15.1.1-15.1.4	GRI 2: General disclosures	2-1 Organisational details 2-6 a., b. i, b ii., c Activities, value chain and other business relationships
• Markets in which the Company operates	15.1.4	GRI 2: General disclosures	2-1 Organisational details 2-6 a., b. i, b ii., c Activities, value chain and other business relationships
• Objectives and strategies	15.1.6	GRI 3: Material topics	3-3 Management of material topics
• Factors and trends affecting the evolution	15.1.5	GRI 3: Material topics	3-3 Management of material topics

[24] *Statement of use made in accordance with GRI 1: Foundation 2021.*

Content	Section	GRI	
		GRI standard	Content
• Policies	15.2 / Section associated with each aspect of the Law	GRI 3: Material topics	3-3 Management of material topics
Risks	15.2 / Section associated with each aspect of the Law	GRI 3: Material topics	3-3 Management of material topics
Key performance indicators	Section associated with each aspect of the Law	GRI 3: Material topics	3-3 Management of material topics
I. Environmental issues			
• Effects of the Company's activities on the environment and, if applicable, on health and safety	15.3.1	GRI 3: Material topics	3-3 Management of material topics
• Environmental assessment and certification procedures	15.3.1	GRI 3: Material topics	3-3 Management of material topics
• Resources assigned to prevention of environmental risks	15.3.9	GRI 3: Material topics	3-3 Management of material topics
• Application of the precautionary principle	15.3.1 15.3.8	GRI 3: Material topics	In view of the business activities of the Group's companies, the Group has no assets or provisions for environmental contingencies that could be material with respect to its equity, financial position and earnings.
• Amount of provisions and guarantees for environmental risks	15.3.8	GRI 3: Material topics	
Pollution			
• Measures associated with carbon emissions	15.3.1/ 15.3.2	GRI 305: Emissions	305-5 a. Reduction of GHG emissions
• Measurements associated with atmospheric, light, noise and other types of pollution	15.3.2/ 15.3.6	GRI 305: Emissions	Non-material / Light pollution and noise are not considered relevant, and they do not generate significant impacts given TR's activity.

Content	Section	GRI	
		GRI standard	Content
Circular economy and waste prevention and management			
• Initiatives for promoting the circular economy	15.3.3	GRI 3: Material topics	3-3 Management of material topics
• Measures associated with waste management	15.3.3	GRI 306: Waste	306-3 Waste generated
• Actions to combat food waste	15.3.4		Non-material
Sustainable use of resources			
• Water: consumption and supply	15.3.5		Non-material
• Raw materials: consumption and measures	15.3.5	GRI 301: Materials	301-1 a. Materials used by weight or volume
• Energy: consumption, measures and use of renewable sources	15.3.5	GRI 302: Power	302-1 a., c.i, e. f. Energy consumption within the organisation
Climate change			
• Greenhouse gas emissions	15.3.2	GRI 305: Emissions	305-1 a, e, g. Direct GHG issues (scope 1) 305-2 a, e, g. Energy indirect GHG emissions (scope 2) 305-3 a, d, f, g Other indirect GHG emissions (scope 3)
• Climate change adaptation measures	15.3.2	GRI 3: Material topics	3-3 Management of material topics
• Emissions reduction targets	15.3.2	GRI 3: Material topics	3-3 Management of material topics
• Taxonomy	15.3.2.1		Regulation (EU) 2020/852 and related Delegated Regulations
Biodiversity			
• Preservation measures	15.3.7		Non-material
• Impacts caused in protected areas	15.3.7		Non-material
II. Social and personnel issues			
Employment			
• Total number of staff and distribution by gender, age, country and professional classification	15.4.1	GRI 405: Diversity and equal opportunities	405-1 b.i and ii. Diversity of governance bodies and employees
• Total number and distribution of employment contract types	15.4.1	GRI 405: Diversity and equal opportunities	405-1 b. Diversity of governance bodies and employees
• Annual average of permanent, temporary and part-time contracts by gender, age and professional classification	15.4.1	GRI 405: Diversity and equal opportunities	405-1 b. Diversity of governance bodies and employees
• Number of dismissals by gender, age and professional classification	15.4.1	GRI 3: Material topics	3-3 Management of material topics

Content	Section	GRI	
		GRI standard	Content
• Average remuneration and its evolution broken down by gender, age and professional category or similar value	15.4.1	GRI 405: Diversity and equal opportunities	405-2 a. Ratio of base salary and remuneration of women to men
• Wage gap	15.4.1	GRI 405: Diversity and equal opportunities	405-2 a. Ratio of base salary and remuneration of women to men
• Remuneration for equivalent jobs or on average for the Company	15.4.1	GRI 405: Diversity and equal opportunities	405-2 a. Ratio of base salary and remuneration of women to men
• Average remuneration for directors and executives, including variable remuneration, attendance fees, termination benefits, long-term savings/pension plans and any other compensation, broken down by gender	15.4.1	GRI 3: Material topics	3-3 Management of material topics
• Disconnection from work policies	15.4.2	GRI 3: Material topics	3-3 Management of material topics
• Disabled employees	15.4.3	GRI 405: Diversity and equal opportunities	405-1 b.iii Diversity of governance bodies and employees
Organisation of working hours			
• Work organisation	15.4.2	GRI 3: Material topics	3-3 Management of material topics
• Number of hours of absenteeism	15.4.6	GRI 3: Material topics	3-3 Management of material topics
• Work-life balance measures	15.4.2	GRI 3: Material topics	3-3 Management of material topics
Health and safety			
• Occupational health and safety conditions	15.4.6	GRI 403: Occupational health and safety	403-1 a.ii Occupational health and safety management system
• Work-related accidents, in particular their rate and severity, broken down by gender	15.4.6	GRI 403: Occupational health and safety	403-9 a.i, a. iii, a. v Work-related injuries
• Work-related illness, broken down by gender	15.4.6	GRI 403: Occupational health and safety	403-9 a.i, a. iii, a. v Work-related injuries
Labour relations			
• Organisation of social dialogue	15.4.7	GRI 2: General disclosures	2-29 Approach to stakeholder engagement
• Percentage of workers covered by collective agreements by country	15.4.8	GRI 2: General disclosures	2-30 Collective bargaining agreements
• Balance of collective agreements on occupational health and safety	15.4.8	GRI 3: Material topics	3-3 Management of material topics
• Mechanisms and procedures that the Company has in place to promote the involvement of employees in the Company's management, in terms of information, consultation and participation	15.4.7	GRI 3: Material topics	3-3 Management of material topics

Training			
• Policies implemented in the field of training	15.4.4	GRI 3: Material topics	3-3 Management of material topics
• Total number of training hours by professional category	15.4.4	GRI 404: Training and education	404-1 a.ii Average hours of training per year per employee
Universal accessibility and integration of persons with disabilities	15.4.3	GRI 405: Diversity and equal opportunities	405-1 a.iii Diversity of governance bodies and employees
Equality			
• Measures taken to promote equality, equality plans, employment promotion, anti-harassment protocols and non-discrimination and diversity management policy	15.4.5	GRI 3: Material topics	3-3 Management of material topics
III. Respect for Human Rights			
• Application of human rights due diligence procedures	15.5	GRI 2: General disclosures GRI 3: Material topics	2-26 Mechanisms for seeking advice and raising concerns 3-3 Management of material topics
• Prevention of human rights abuses and any measures taken to mitigate, manage and repair possible abuses that have materialised	15.5	GRI 3: Material topics	3-3 Management of material topics
• Complaints of human rights violations	15.5	GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken
• Promotion of and compliance with ILO conventions related to freedom of association and collective bargaining	15.5	GRI 407: Freedom of association and collective bargaining	407-1b Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
• Elimination of discrimination in employment, forced or compulsory labour and child labour	15.5	GRI 3: Material topics GRI 409: Forced or compulsory labour GRI 408: Child labour	3-3 Management of material topics 409-1b Operations and suppliers with significant risk of forced or compulsory labour 408-1c Operations and suppliers at significant risk for incidents of child labour
IV. Fight against corruption and bribery			
• Measures taken to prevent corruption and bribery	15.6.1	GRI 3: Material topics	3-3 Management of material topics
• Anti-money laundering measures	15.6.1	GRI 3: Material topics	3-3 Management of material topics
• Contributions to foundations and non-profit organisations	15.6.2	GRI 3: Material topics	3-3 Management of material topics

V. Society			
-The Company's commitments to sustainable development			
• Impact of the Company's activity: employment, local development, local populations and in the area	15.7.1	GRI 3: Material topics	3-3 Management of material topics
• Partnership or sponsorship actions	15.7.2	GRI 2: General disclosures	2-28 Membership in associations
• Engagement with local community representatives, and communication channels in place	15.7.1	GRI 2: General disclosures	2-29 Approach to stakeholder engagement
Subcontracting and suppliers			
• Inclusion in the procurement policy of social, gender equality and environmental issues	15.7.3	GRI 3: Material topics	3-3 Management of material topics
• Consideration of social and environmental responsibility in relations with suppliers and subcontractors	15.7.3	GRI 3: Material topics	3-3 Management of material topics
• Monitoring systems and their results	15.7.3	GRI 3: Material topics	3-3 Management of material topics
Consumers			
• Measures for the health and safety of consumers	15.7.4	GRI 3: Material topics	3-3 Management of material topics
• Claims systems, complaints received and complaint resolution	15.7.4	GRI 3: Material topics	3-3 Management of material topics
Tax information			
• Operating profit by geographical area	15.7.5	GRI 207: Taxation	207-4 b.vi Country-by-country reporting
• Corporate income tax paid	15.7.5	GRI 207: Taxation	207-4 b.viii Country-by-country reporting
• Government grants received	15.7.5	GRI 201: Economic performance	201-4 a.iii Financial assistance received from government

16. Annual Corporate Governance Report and Annual Directors Remuneration Report

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

Técnicas Reunidas, S.A. and Subsidiaries

Independent Limited Assurance Report on the Consolidated Non-Financial Information Statement for the year ended 31 December 2024

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

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INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT OF TÉCNICAS REUNIDAS, S.A. AND SUBSIDIARIES FOR 2024

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

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the accompanying consolidated non-financial information statement ("NFIS") for the year ended 31 December 2024 of Técnicas Reunidas, S.A. (the Parent) and its subsidiaries (the Group), which forms part of the Group's consolidated directors' report for 2024.

The content of the NFIS includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting, that was not the subject matter of our attestation engagement. In this regard, our work was limited solely to verification of the information identified in "Table of Compliance, Law 11/2018, of 28 December - GRI" included in section 15.8 of the accompanying NFIS.

Responsibilities of the Directors

The preparation and content of the NFIS included in the Consolidated Directors' Report of TÉCNICAS REUNIDAS, S.A. and Subsidiaries/Group are the responsibility of the directors of TÉCNICAS REUNIDAS, S.A. and Subsidiaries. The NFIS was prepared in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected Global Reporting Initiative Sustainability Reporting Standards (GRI standards), as well as other criteria described as indicated for each matter in "Table of Compliance, Law 11/2018, of 28 December - GRI" of section 15.8 of the NFIS.

These responsibilities also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the NFIS to be free from material misstatement, whether due to fraud or error.

The directors of TÉCNICAS REUNIDAS, S.A. and Subsidiaries are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Deloitte Auditores, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Our firm applies International Standard on Quality Management 1 (ISQM 1) which requires the firm to design, implement and operate a quality control system that includes policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our work in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised), currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements regarding non-financial information statements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance provided is substantially lower.

Our work consisted of making inquiries of management and the various units of TÉCNICAS REUNIDAS, S.A. and Subsidiaries/Group that participated in the preparation of the NFIS, reviewing the processes used to compile and validate the information presented in the NFIS, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with personnel of TÉCNICAS REUNIDAS, S.A. and Subsidiaries to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external review.

- Analysis of the scope, relevance and completeness of the contents included in the 2024 NFIS based on the materiality analysis performed by TÉCNICAS REUNIDAS, S.A. and Subsidiaries and described in section 15.8 "About the non-financial information statement" thereof, taking into account the contents required under current Spanish corporate legislation.

- Analysis of the processes used to compile and validate the data presented in the 2024 NFIS.

- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters presented in the 2024 NFIS.

- Verification, by means of sample-based tests, of the information relating to the contents included in the 2024 NFIS, and the appropriate compilation thereof based on the data furnished by information sources.

Emphasis of Matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and the delegated acts adopted pursuant to that Regulation establish, for the first time for 2024, the obligation to disclose information on how and to what extent an undertaking's activities are associated with aligned economic activities in relation to the environmental objectives on sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the prevention and restoration of biodiversity and ecosystems (the other environmental objectives) and in relation to certain activities included in the climate change mitigation and climate change adaptation objectives, in addition to the information on eligibility required in 2023 for the aforementioned activities. Therefore, the accompanying NFIS does not include comparative information on alignment in relation to the other environmental objectives indicated above or to the new activities included in the climate change mitigation and climate change adaptation objectives. In addition, it should be noted that the directors of TÉCNICAS REUNIDAS, S.A. have included information on the criteria which, in their opinion, best enable them to comply with the aforementioned obligations and which are defined in the "European Union taxonomy" section" of the accompanying NFIS. Our conclusion is not modified in respect of this matter.

Conclusion

Based on the procedures performed in our verification and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of TÉCNICAS REUNIDAS, S.A. and Subsidiaries for the year ended 31 December 2024 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI standards, as well as other criteria described as indicated for each matter in "Table of Compliance, Law 11/2018 of 28 December" included in section 15.8 of the NFIS.

Use and Distribution

This report has been prepared in response to the requirement established in corporate legislation in force in Spain and, therefore, it might not be appropriate for other purposes or jurisdictions.

DELOITTE AUDITORES, S.L.

Antonio Sánchez-Covisa Martín-González

27 February 2025