

This version of the interim financial statements 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 accounts takes precedence over this translation.

TÉCNICAS REUNIDAS, S.A.

Interim financial statements for the six-month period ended 30 June 2023

TÉCNICAS REUNIDAS, S.A.

INTERIM CONDENSED BALANCE SHEET AT 30 JUNE 2023

(Expressed in thousands of euros)

BALANCE SHEET AT 30 JUNE 2023

ASSETS	Note	At 30 June 2023	At 31 December 2022
NON-CURRENT ASSETS		717,903	730,392
Intangible assets		46,052	46,873
Property, plant and equipment		15,085	7,631
Non-current investments in Group companies and associates		333,687	333,687
Non-current financial investments		88,950	94,867
Shares and non-current equity interests		197	197
Loans to third parties		212	147
Derivatives		154	1,237
Other financial assets		88,387	93,286
Deferred tax assets		234,128	247,334
CURRENT ASSETS		3,265,615	3,301,520
Inventories		14,761	14,048
Advances to suppliers	1	73,803	32,300
Trade and other receivables	2	2,022,151	2,202,557
Current investments in Group companies and associates	2	566,838	532,290
Current financial investments		30,711	45,822
Derivatives		15,863	34,366
Other financial assets		14,848	11,456
Cash and cash equivalents		557,352	474,503
TOTAL ASSETS		3,983,517	4,031,912

TÉCNICAS REUNIDAS, S.A.
BALANCE SHEET AT 31 DECEMBER 2022
(Expressed in thousands of euros)

EQUITY AND LIABILITIES	Note	At 30 June 2023	At 31 December 2022
EQUITY		399,265	202,248
Shareholders' equity		395,601	198,587
Share capital		8,030	5,590
Registered share capital		8,030	5,590
Share premium		156,343	8,691
Reserves		250,603	254,152
Legal and statutory reserves		1,137	1,137
Capitalisation reserve		3,056	3,056
Other reserves		246,410	249,959
(Treasury shares)		(73,889)	(72,909)
Profit/(Loss) for the year		54,541	3,063
Valuation adjustments		3,664	3,661
Hedging transactions		(64)	(3,946)
Translation differences		3,727	7,607
NON-CURRENT LIABILITIES		935,389	1,089,360
Participating loans		175,000	175,000
Long-term provisions		286,582	286,582
Other provisions		286,582	286,582
Non-current payables		450,555	600,482
Bank borrowings		443,945	593,799
Other financial liabilities		6,610	6,683
Deferred tax liabilities		23,251	27,296
CURRENT LIABILITIES		2,648,863	2,740,304
Current provisions		78	78
Current payables		307,619	223,426
Bank borrowings		300,268	200,914
Derivatives		6,560	21,502
Other financial liabilities		791	1,010
Current payables to Group companies and associates	3	145,790	259,013
Trade and other payables	3	2,195,376	2,257,787
TOTAL EQUITY AND LIABILITIES		3,983,517	4,031,912

TÉCNICAS REUNIDAS, S.A.

INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(Expressed in thousands of euros)

	Note	Six-month period ended 30 June	
		2023	2022
Revenue		1,442,323	866,425
Sales and services rendered		1,442,323	866,425
Changes in inventories of finished goods and work in progress		713	(1,624)
Procurements		(1,065,157)	(679,487)
Consumption of merchandise		(1,065,157)	(679,487)
Other operating income		6,664	3,475
Non-core and other current operating income		2,808	2,092
Income-related grants transferred to profit or loss		3,856	1,383
Staff costs		(160,423)	(133,501)
Wages, salaries and similar expenses		(133,818)	(110,390)
Employee benefit costs		(25,390)	(22,033)
Other employee benefits		(1,215)	(1,078)
Other operating expenses		(125,688)	(161,058)
Outside services		(117,571)	(102,473)
Taxes other than income tax		(1,242)	(4,418)
Losses on, impairment of and change in allowances for trade receivables		(6,085)	(54,167)
Other current operating expenses		(790)	(1)
Depreciation and amortisation charge		(1,647)	(1,948)
Impairment and gains/(losses) on disposal of non-current assets		148	10
PROFIT/(LOSS) FROM OPERATIONS		96,933	(87,707)
Finance income	4	15,817	66,322
Finance costs		(24,803)	(19,640)
Exchange differences		(4,190)	9,224
Impairment and gains/(losses) on disposal of financial instruments	4	(49)	(75,453)
FINANCIAL PROFIT/(LOSS)		(13,225)	(19,546)
PROFIT/(LOSS) BEFORE TAX		83,708	(107,254)
Income tax		(29,194)	35,907
PROFIT/(LOSS) FOR THE YEAR		54,514	(71,347)

TÉCNICAS REUNIDAS, S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(Expressed in thousands of euros)

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

	Six-month period ended 30 June	
	2023	2022
Profit/(Loss) for the period per income statement	54,514	(71,347)
Income and expense recognised directly in equity		
Arising from cash-flow hedges	4,483	(44,577)
Arising on actuarial gains and losses and other adjustments	(3,880)	20,323
Tax effect	(1,120)	11,146
Total income and expense recognised directly in equity	(517)	(13,108)
Transfers to the income statement		
Arising from cash-flow hedges	692	33,085
Tax effect	(173)	(8,271)
Total transfers to the income statement	519	24,814
TOTAL RECOGNISED INCOME AND EXPENSES	54,517	(59,641)

TÉCNICAS REUNIDAS, S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

B) STATEMENT OF CHANGES IN TOTAL EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(Expressed in thousands of euros)

	Share capital	Share premium	Reserves	(Treasury shares)	Prior years' profit/(loss)	Profit/(Loss) for the year	(Interim dividend)	Valuation adjustments	TOTAL
ADJUSTED BALANCE AT BEGINNING OF 2022	5,590	8,691	598,376	(73,269)	-	(344,083)	-	(4,429)	190,876
Total recognised income and expense	-	-	-	-	-	3,063	-	8,091	11,154
Transactions with shareholders or owners	-	-	-	-	-	-	-	-	-
- Dividend distribution	-	-	-	-	-	-	-	-	-
- Other transactions with shareholders or owners	-	-	(141)	359	-	-	-	-	218
Other changes in equity	-	-	-	-	-	-	-	-	-
- Distribution of profit	-	-	(344,083)	-	-	344,083	-	-	-
- Other changes	-	-	-	-	-	-	-	-	-
BALANCE AT END OF 2022	5,590	8,691	254,152	(72,910)	-	3,063	-	3,662	202,248
ADJUSTED BALANCE AT BEGINNING OF 2023	5,590	8,691	254,152	(72,910)	-	3,063	-	3,662	202,248
Total recognised income and expense	-	-	-	-	-	54,514	-	3	54,517
Transactions with shareholders or owners	-	-	-	-	-	-	-	-	-
- Capital increase	2,441	147,652	(7,472)	-	-	-	-	-	142,621
- Dividend distribution	-	-	-	-	-	-	-	-	-
- Other transactions with shareholders or owners	-	-	860	(980)	-	-	-	-	(120)
Other changes in equity	-	-	-	-	-	-	-	-	-
- Distribution of profit	-	-	3,063	-	-	(3,063)	-	-	-
- Other changes	-	-	-	-	-	-	-	-	-
BALANCE AT END OF 2023	8,031	156,343	250,603	(73,890)	-	54,515	-	3,664	399,265

TÉCNICAS REUNIDAS, S.A.

STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(Expressed in thousands of euros)

	Six-month period ended 30 June	
	2023	2022
Cash flows from operating activities		
1. Profit/(Loss) for the year before tax	83,708	(107,254)
2. Adjustments for:		
- Depreciation and amortisation charge	1,647	1,948
- Change in provisions	-	54,167
- Impairment losses	6,085	75,453
- Gains/(Losses) on derecognition and disposal of non-current assets	(148)	(10)
- Finance income	(15,817)	(66,322)
- Finance costs	24,802	19,639
- Change in gains/(losses) on derivatives	692	33,085
- Other income and expenses	-	(127)
3. Changes in working capital:		
- Inventories and advances	(42,216)	(960)
- Trade and other receivables	80,705	(256,072)
- Other accounts receivable	(219)	(9,606)
- Trade payables	(83,735)	220,772
- Other financial assets	2,047	59,936
- Derivatives settlements	9,127	(19,072)
4. Other cash flows from operating activities		
- Interest paid	(24,112)	(19,640)
- Interest received	15,817	16,322
5. Cash flows from operating activities	58,383	2,257
Cash flows from investing activities		
6. Payments due to investments		
- Acquisition of property, plant and equipment	(8,234)	(871)
- Acquisition of intangible assets	(20)	(30)
- Investments in Group companies and associates	-	(2)
7. Proceeds from disposals		
- Property, plant and equipment	396	-
8. Cash flows from investing activities	(7,859)	(903)
Cash flows from financing activities		
9. Proceeds and payments relating to equity instruments		
- Purchase of equity instruments	(121)	(59)
- Capital increase	150,093	-
- Costs associated with capital increase	(7,472)	-
10. Proceeds and payments relating to financial liability instruments		
a) Issuance		
- Bank borrowings	160,926	466,609
- Borrowings from Group companies and associates	62,947	110,658
- Other payables		175,000
b) Return		
- Bank borrowings	(212,118)	(300,276)
- Borrowings from Group companies and associates	(121,930)	(85,381)
12. Cash flows from financing activities	32,324	366,551
Net change in cash and cash equivalents	82,849	367,905
Cash and cash equivalents at beginning of year	474,503	337,723
Cash and cash equivalents at end of year	557,352	705,629
	82,849	367,906

1. **Advances to suppliers.** The increase relates mainly to advances to suppliers in the Qatar projects.

2. Financial assets at amortised cost

This heading includes the following items and amounts:

	Thousands of euros	
	2023	2022
Current:		
Trade receivables for sales and services	267,721	309,299
Payable to clients - invoices receivable	1,527,672	1,418,619
Trade receivables from Group companies and associates (a)	124,999	355,860
Loans to Group companies and associates (b)	566,838	532,290
Sundry accounts receivable	2,375	7,537
Receivable from Group companies	89,986	97,921
Employee receivables	215	71
Current tax assets (Note 20)	10,772	9,470
Other accounts receivable from public authorities	35,831	38,051
Provisions for impairment	(37,420)	(34,272)
	2,588,989	2,734,846

The decrease in the balance relates mainly to the decline in the balances of Trade receivables from Group companies and associates as a result of the agreements among the various Group companies to offset and settle the balances among them.

a) The detail of “Trade receivables from Group companies and associates” is as follows:

	Thousands of euros	
	2023	2022
Initec Plantas Industriales, S.A.U.	20,207	224,853
Técnicas Reunidas UK	27,474	27,780
TR DUQUM Project L.L.C.	11,144	6,359
TR De Construção Unip. LDA	20,296	20,272
Técnicas Reunidas Ecología, S.A	153	464
TR Saudia for Services and Contracting Co. Limited	5,784	5,404
Heymo Ingeniería S.A.	2,436	4,639
TR Bapco	5,016	7,701
Initec Infraestructuras, S.A.U.	-	780
Powertecno Energía Mexicana	-	22,235
TR LLC Duqum	1,747	15,858
Other Group companies, associates and joint ventures	30,742	19,515
Total trade and other receivables from Group companies and associates	124,999	355,860

b) The detail of “Loans to Group companies and associates” is as follows:

	Thousands of euros					
	Other receivables		Tax receivables		Total	
	2023	2022	2023	2022	2023	2022
Initec Plantas Industriales, S.A.U.	170,200	133,931	54,804	50,024	225,004	183,955
TR Saudia for Services and Contracting Co. Limited	146,690	190,687	-	-	146,690	190,687
TR De Construção Unip. LDA	40,982	40,895	-	-	40,895	40,895
Técnicas Reunidas UK	86,917	77,859	-	-	86,917	77,859
Other Group companies, associates and joint ventures	65,378	30,754	1,867	8,140	67,245	38,894
Total	510,167	474,126	56,671	58,164	566,838	532,290

3. Financial liabilities

Financial liabilities at amortised cost

Liabilities at amortised cost include:

	Thousands of euros	
	2023	2022
Non-current:		
Participating loans	175,000	175,000
Bank borrowings	443,954	593,799
Other financial liabilities	6,589	6,665
Total	450,543	600,454
Current:		
Bank borrowings	300,268	200,914
Other financial liabilities	803	1,010
Accounts payable to related parties (a)	145,790	259,013
Trade and other payables (b)	2,195,376	2,257,787
Total	2,642,237	2,718,724

TÉCNICAS REUNIDAS, S.A.

a) Accounts payable to related parties

	Thousands of euros	
	2023	2022
Group companies	145,734	258,947
Associates	56	66
	145,790	259,013

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

	Thousands of euros					
	Other Borrowings		Tax effect		Total	
	2023	2022	2023	2022	2023	2022
Initec Plantas Industriales, S.A.U.	10,898	72,861	-	-	10,898	72,861
Initec Infraestructuras, S.A.U.	1,307	-	1,545	5,119	2,851	5,119
Técnicas Reunidas Gulf Co	29,709	30,262	-	-	29,709	30,262
TR Alberta INC	7,210	14,175	-	-	7,210	14,175
TR Talara S.A.C.	52,188	84,792	-	-	52,188	84,792
TR LLC Duqum.	18,964	18,753	-	-	18,964	18,753
Other Group companies, associates and joint ventures	20,528	29,574	3,441	3,477	23,970	33,051
Total	140,804	250,714	4,986	8,596	145,790	259,013

The decrease in the debt to Group companies relates mainly to the agreements reached among the various Group companies to offset and settle the balances among them.

b) Trade and other payables

	Thousands of euros	
	2023	2022
Payable to suppliers - invoices receivable	1,337,045	1,104,345
Payables to suppliers	408,275	422,377
Payable to suppliers - Group companies and associates	175,285	307,086
Supplier retainings	97,235	114,576
Personnel (salaries payable)	15,894	6,279
Other accounts payable to public authorities	40,853	31,628
Customer advances	120,789	271,497
	2,195,376	2,257,787

TÉCNICAS REUNIDAS, S.A.

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

	Thousands of euros	
	2023	2022
Initec Plantas Industriales, S.A.U.	37,329	165,528
Initec Infraestructuras, S.A.U.	2,456	3,669
Técnicas Reunidas Internacional, S.A.U.	350	533
Técnicas Reunidas UK	70	72
TR Ecología S.A.	3,821	3,836
TR Saudia for Services and Contracting Co. Limited	111,380	111,160
TR México Ingeniería y Construcción	7,532	6,703
Other	12,347	15,585
	175,285	307,086

4. **Financial profit/(loss):** No portfolio provision was made in the first half of 2023 because the conditions for doing did not arise.

No dividends were received in the first half of 2023 for shareholdings in Group companies, jointly controlled entities and associates.