TECNICAS REUNIDAS

FY 2023 Results

29 February 2024

Audited accounts

MAIN HIGHLIGHTS

- YTD Backlog at €11.4 billion, which includes €6.1 billion of new awards
- FY 2023 sales at €4,135 million (-2% vs. FY 2022)
- FY 2023 EBIT at €157 million (EBIT margin at 3.8%)
  - Q4 2023 EBIT at €37 million (EBIT margin at 4.1%)
- FY 2023 net profit at €60 million, that includes a non-cash item of €16 million
- Net cash position of €348 million at the end of December 2023

Juan Lladó, Técnicas Reunidas' Executive Chairman, commented:

"2023 has turned out to be a very important year for Técnicas Reunidas in its road to full normalization. We had a very good year in both commercial and operational fronts, and we made very significant contributions to our future growth and profitability. I believe that we are doing things the right way and our financial performance shows this trend.

Regarding our operations, the progress that we have made in the execution and delivery of all our projects allowed us to achieve more than 4 billion euros in sales, while reaching in the second half of the year a 4% level in terms of operating margins.

With respect to building the future of the company, the first and most important step was to have the courage to undertake a sizeable capital increase in the spring. The rationale was to gain the financial strength needed to be a strong contender in the bidding rounds that were expected to take place. It was the right decision: we ended up being highly successful in those rounds, as we were awarded more than six billion euros in the kind of projects where we can excel.

Let me remark that we have kept a firm policy of risk mitigation, that entailed sharing these projects with the adequate partners. We enter 2024 with a healthy backlog that allows us to project further growth in our sales and operating results.

And even more important than the size of the backlog reached in 2023, it's the fact that now our clients perceive TR as a key technological contractor: a partner they trust and engage in early engineering service contracts where their investments are technologically shaped and defined.

Moreover, in 2023, there have been some major strategic initiatives that will greatly contribute to ensure and enhance our future. I will just mention two: the development of our Track unit, that is already placing us at the forefront in the engineering of *energy transition; and our partnership with Sinopec, that gives us added strength in the bidding and execution of future projects.*

I honestly think the company is healthier and with more opportunities than ever. This is the biggest tribute that we can make to my father, José Lladó, who founded TR in 1960. And today, with my father still in my memory, allow me to finish these words with the firm commitment, and obvious optimism, to give back to our shareholders what they rightly deserve."

Highlights € million	2023	2022	Variation
YTD Backlog	11,407	10,732	*6%*
Net Revenues	4,135	4,233	*-2%*
EBIT	156.6	8.7	*1691%*
Margin	*3.8%*	*0.2%*	
Net Profit (2)	59.7	-34.5	*N.M.*
Margin	*1.4%*	*-0.8%*	
Net Cash Position (1)	348	158	*121%*

(1) Figures classified as Alternative Performance Metrics ("APMs"). See appendix.

(2) Profit for the year from continuining operations

FY 2023 RESULTS SUMMARY

YTD Backlog at the end of December 2023 stood at €11.4 billion. New orders since the beginning of 2023 reached €6.1 billion. This figure includes €2.0 billion related to the Riyas project for Saudi Aramco, that was announced in January 2024, but it was officially launched at the end of 2023.

Total sales reached €4,135.2 million in 2023, with a 2% decrease versus 2022. The company has progressively moved back to sales above €4 billion and expects this sales plateau to be sustained in coming years.

EBIT in 2023 stood at €156.6 million, representing and EBIT margin for 2023 of 3.8%. Q4 2023 EBIT stood at €36.8 million with an EBIT margin of 4.1%. This figure also compares positively to the 4.0% level reported in the Q3 2023, highlighting the steady recovery of underlying margins quarter after quarter.

Net profit for the 2023 period reached €59.7 million. This figure includes an extraordinary non-cash item of €-15.9 million accounted in the third quarter of the year. According to IFRS, conversion differences coming from subsidiaries are booked as negative or positive reserves in the consolidated equity until the day the subsidiary is liquidated. At that date, such reserves are to be reversed against the financial results of the year.

The **net cash position** at the end of 2023 increased to €348 million, a level that compares with €158 million at the end of 2022. The 2023 figure does not include any downpayments from the Riyas project.

OUTLOOK AND GUIDANCE FOR 2024

The company currently forecasts for 2024:

- Sales in the range of €4.5 billion.
- EBIT margin of 4%.

Webcast results details

Técnicas Reunidas will hold a conference call on 29th February at 16:00 CET. It can be accessed through the link in its homepage: http://www.tecnicasreunidas.es/en/

BACKLOG AND ORDER INTAKE

€ million	2023	2022	Variation
YTD Backlog	11,407	10,732	*6%*
Order intake	6,118	1,686	*263%*

Backlog

Refining		
Project	**Country**	**Client**
Sitra refinery	Bahrain	BAPCO
Duqm refinery	Oman	DRPIC
Environmental enhancement project	Chile	ENAP
Exxon Mobil refinery	Singapore	Exxon Mobil
Minatitlán refinery	Mexico	Pemex
Baku refinery	Azerbaijan	SOCAR
Hydrotreatment and hydrogen units	Argentina	YPF
Hassi Messaoud refinery	Algeria	Sonatrach
Natural Gas		
Project	**Country**	**Client**
Combined cycles	Mexico	CFE
Cogeneration plant	Canada	Suncor
Energy efficiency	Colombia	Termocandelaria
North Field package 3	Qatar	Qatargas
North Field package 4	Qatar	Qatargas
Balance of Plant	Qatar	QatarEnergy
Marjan	Saudi Arabia	Saudi Aramco
Dalma	United Arab Emirates	ADNOC
Das Island	United Arab Emirates	ADNOC LNG
MERAM	United Arab Emirates	ADNOC
GT5	Kuwait	KNPC
Haradh	Saudi Arabia	Saudi Aramco
Riyas	Saudi Arabia	Saudi Aramco
Regasification terminal	Germany	Hanseatic Energy Hub
Petrochemicals		
Project	**Country**	**Client**
PTA Complex	Turkey	SASA Polyester
Ceyhan	Turkey	Rönesans / Sonatrach
Petrochemical complex	Poland	Orlen
Ethylene plant	Belgium	INEOS
Fertilizer plant	Kazakhstan	Kazazot
Low Carbon Technologies		
Project	**Country**	**Client**
AMA	Netherlands	G.I.D Dynamics
2G biofuels plant	Spain	Cepsa
Electrification of complexes	Spain and Portugal	Repsol
Zero-carbon fertilizer plant	USA	Atlas Agro
Other		
Project	**Country**	**Client**
Bu Hasa	United Arab Emirates	ADNOC Onshore

With the addition of the recent award of the Riyas project, the backlog has jumped back above €11 billion, reaching a level of €11.4 billion on a 2023 YTD basis.

The split by division of the total backlog at that date is as follows: Refining comprised 17%, Natural gas accounted for 59%, Petrochemicals covered 18%, Low carbon technologies amounted to 5% and the rest, corresponding to Other projects, with very low weight in total backlog.

The backlog includes the Hassi Messaoud Project. The JV between Samsung and Técnicas Reunidas continues exploring together with the client, Sonatrach, how to relaunch the project.

Order intake

Order intake reached €6.1 billion. This figure includes the Riyas project, internally launched in Q4 203, but officially announced in Q1 2024.

- The Riyas project was awarded to the joint venture between Técnicas Reunidas and Sinopec Engineering Group for more than $3.3 billion. The joint venture is 65% owned by TR and 35% by Sinopec Engineering Group, which means that Técnicas Reunidas accounts for more than $2.2 billion of the total investment. The works will be developed based on two EPC contracts for the execution of Riyas NGL Fractionation Trains (Package 1) and Riyas NGL Common Facilities (Package 2), which includes utilities, storage and export facilities. The expected duration of the project is about 46 months for Package 1 and about 41 months for Package 2, with a peak level of 575 engineers, of which more than 70% will be from TR.

  This is the first project awarded to Técnicas Reunidas by Saudi Aramco following the Strategic Alliance recently signed with Sinopec Engineering Group for the jointly development of projects.

Besides the award described above, since the beginning of 2023, our clients awarded TR several other important projects in our traditional business:

- The Maximizing Ethane Recovery and Monetization (MERAM) project for ADNOC Gas. This important client awarded to a joint venture between Técnicas Reunidas and NPCC the complete development of the project, which focuses on the recovery of ethane from residue gas. New equipment and systems will be installed to expand the capacity of several existing units at various ADNOC Gas owned sites in the country, with modifications undertaken to accommodate the new production profile and various new pipelines built for feed gas and production in these units. The project home office will be based in Madrid.

  Total investment from the complete execution of the project amounts to $3.6 billion (with 50% of the total scope corresponding to TR). NPCC, TR's partner in this project and recently rebranded as NMDC Energy, is a major local EPC player, majority owned by the government of UAE.

- The Balance of Plant for QatarEnergy. The project consists of the development of facilities that will connect the southern part of Ras Laffan Industrial City to new LNG storage tanks and to the export facilities located in the northern part of the Ras Laffan Industrial City. Total value of the works is estimated at more than $560 million.

This award strengthens Técnicas Reunidas' relationship with QatarEnergy as TR has been working on large–scale projects related to the expansion of the North Field since 2021. In fact, this new award is the fourth one from QatarEnergy in the last 24 months.

- **Hanseatic Energy Hub** awarded in April a project for the construction of the regasification terminal in Hamburg (Germany) for liquefied gases to a consortium formed by Técnicas Reunidas, FCC and Entrade GMBH. The development of this facility will involve a total investment of close to €1 billion. The scope of Técnicas Reunidas amounts to €0.5 billion. Técnicas Reunidas will design the regasification terminal and the two storage tanks, each with a capacity of 240,000 cubic meters, and will undertake all the equipment and materials supply work for the project. The construction stage and assembly activities will be conducted by FCC and Entrade.
- **Kazazot**, the leading company in the fertilizer industry in Kazakhstan selected TR in January to develop a new ammonia, urea, nitric acid and ammonium nitrate complex. With a total investment of approximately $1 billion, the plant will be located in the southwestern side of Kazakhstan. Técnicas Reunidas will first carry out the engineering design under a FEED OBE contract, that will require about 200.000 engineering hours and that will be executed at its Madrid office. Once the FEED is completed, TR will undertake the full engineering, procurement and construction of the plant through an EPC contract.

Furthermore, the company signed several important contracts in the low carbon technologies segment:

- Development of **Cepsa's** second-generation biofuels plant in Huelva, the largest project of this kind in southern Europe. Total investment of this project will amount to 1 billion euros. Técnicas Reunidas will develop the engineering and will also manage the procurement and the construction of the plant. TR will assign a team of more than 180 expert professionals and will dedicate some 500,000 hours of highly qualified personnel. With this contract, TR strengthens its position in the field of the circular economy. The new plant will employ agricultural waste and used cooking oils as feedstock. It will annually produce 500,000 tons of renewable diesel and SAF (Sustainable Aviation Fuel) to contribute to the decarbonization of air, maritime and land transport. This project is part of the strategy implemented by Técnicas Reunidas to increase the number of service contracts.
- Electrification of two **Repsol** industrial complexes: in Sines, Portugal; and in Tarragona, Spain. The project will reduce energy consumption and carbon emissions at these two large chemical facilities, where TR will replace ethylene and propylene compressor turbines with electric motors. TR will develop the detailed engineering, the procurement management and the supply of equipment and materials.
- FEED for the development of a zero-carbon nitrogen fertilizer plant in USA for the fertilizer company **Atlas Agro**. The plant will use TR's proprietary technology for

the main process units. Once the FEED is completed, the project is fully sanctioned and financing is closed by the client, the EPC would be managed on an Open Book basis. The potential EPC investment would amount to around €1 billion. It will be the world's first full scale zero-carbon nitrogen plant, using only air, water and zero-carbon electricity as raw materials.

- MOU with **IFC**, a member of The World Bank Group, aimed at accelerating the decarbonization of Eastern European economies. The collaboration seeks to develop projects that facilitate the transition to low-carbon technologies and promote the decarbonization of carbon intensive industries. The focus industries include steel, cement, aluminum, chemicals, glass, and transportation. The solutions to be implemented encompass various low carbon technologies along the hydrogen value chain, including green ammonia and e-methanol, as well as biofuels, bio chemicals and biomethane and carbon capture for large carbon emitters.
- In addition, Track has achieved significant awards in the energy transition field for clients that cannot yet be disclosed:
    - Engineering services for **2 green ammonia projects** in 2 different locations in the Iberian Peninsula.
    - An EPC for an **E-FUELS** demo unit in Spain.

Project	Client	Contract type	Amount (€bn)	Announcement date
Fertilizer plant	Kazazot	FEED OBE	1.2	January 2023
Regasification terminal	Hanseatic Ene	EPC	0.5	April 2023
MERAM	Adnoc	EPC	1.7	August 2023
Balance of Plant	QatarEnergy	EPC	0.6	August 2023
Riyas	Saudi Aramco	EPC	2.0	January 2024
Track projects	Several clients	Services	0.1	2023

Energy transition

The year 2023 has been a year of significant growth in Técnicas Reunidas' commitment to energy transition. This firm approach towards the decarbonization of the economy is included in its strategy called Track, which covers four activities:

- **The execution of Front-End Engineering and Design (FEED) services and turnkey project execution services**. Through this line, Técnicas Reunidas offers its traditional services for the design and construction of major industrial plants based on low carbon technologies.
- **Engineering services for early stages of project development.** The intense activity of the energy and infrastructure industry in decarbonization projects is generating a high demand for engineering services for project definition. Técnicas Reunidas is providing services in this area, such as developing the technical scope of conceptual and feasibility studies or analyzing available technologies for specific processes.
- **Project structuring:** the expected growth in low-emission technology projects to accelerate decarbonization requires well-structured investment

opportunities. Técnicas Reunidas is working on the development and co-development of projects with industrial partners; current opportunities total EUR4 billion of investment.

- **Recurring services associated with the decarbonization of industrial facilities.** Specifically, outsourcing of carbon management for large industrial emitters and implementation of methane emissions management frameworks.

Track's commitment is yielding significant results. In 2023 and the first months of 2024, more than €265 million of projects under execution were reached, exponentially improving those for 2021 and 2022. These are engineering services contracts for projects in the hydrogen, biofuels or carbon capture value chain.

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

In the hydrogen value chain:

- For a **confidential client**, development of the basic and detailed engineering for two green ammonia plants with a hydrogen production capacity by electrolyzers of more than 300 MW.
- For **Atlas Agro**, execution of the FEED of a green fertilizer plant located on the west coast of the United States, with a production capacity of 650,000 tons per year.
- For **Fortescue**, and in Norway, the execution of a FEED for a green ammonia plant with a green hydrogen production capacity of 300 MW by electrolyzers.
- For **Copenhagen Infrastructure Partners**, the execution of a FEED for a 500 MW green hydrogen production plant using electrolyzers 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, Huelva, the engineering and purchase of equipment and materials for the bio diesel and sustainable aviation fuel (SAF) production project.
- For **Advanced Methanol Amsterdam**, execution of the FEED for a project to produce bio methanol from household waste and forest biomass.
- For a **confidential client**, execution of basic engineering services for the auxiliary facilities of a bio diesel and SAF production project.

In carbon capture:

- For a **confidential client**, pre-FEED engineering services for carbon capture in a steam production plants.
- For a **confidential client**, pre-FEED engineering services for a blue ammonia production plant.
- For **SSE**, the execution of the FEED for the carbon capture of a combined cycle plant located in Peterhead, Scotland.
- For a **confidential client**, engineering services prior to the FEED for a blue hydrogen production plant for subsequent use in the generation of electricity in a combined cycle.

- In addition, Técnicas Reunidas is also reaching **collaboration agreements with the main licensors of technologies** associated with the energy transition and decarbonization.

Within Track, and with the aim of establishing platforms for the growth of its operations, in 2023 Técnicas Reunidas:

- Has signed an agreement with the **International Finance Corporation (IFC)**, an entity dependent on the World Bank, with the aim of promoting and developing projects based on low carbon technologies in Eastern European countries.
- Has established a **project structuring team in Houston** to take advantage of the incentives established under the Inflation Reduction Act (IRA).

Moreover, within Track, Técnicas Reunidas is developing the channels and strategies to consolidate an important position in the **steel and cement industries**, with important objectives and challenges for decarbonization.

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

Research and Development projects

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

In this regard, initiatives of different types are particularly relevant in technological proposals associated with: the development of high-efficiency electrolysers to produce green hydrogen; carbon capture; circular economy with the recycling of fibreglass and carbon fibre and mainly with the recycling of plastics; and extraction technologies for obtaining critical raw materials essential for the energy transition.

In 2023, Técnicas Reunidas continued to work on national and European research and development projects:

Circular Economy

- HALOMET® technology: treatment of municipal waste incineration residues for the recovery of zinc and other metals.
- SEA4VALUE project: European project (HORIZON 2020) to develop technologies for the recovery of valuable metals from brines produced in desalination plants.
- DUST project: development of technology for the treatment and direct valorization of steel mill dust, with the main objective of recovering the zinc present in it.
- ECOTRON Project: recycling of electronic devices, organic substrates and valuable metals present in them.
- ECLIPSE Project: recycling and valorization 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 optimization and technology integration.
- COMAR Project: project for the valorization of composite materials, in which catalytic technologies for separation and recovery for second use of the different components are studied.

Hydrogen and carbon dioxide capture

- SHINEFLEET project: covers the entire hydrogen value chain, from its production to its final 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. It addresses the production of 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 the creation of an efficient energy management system.
- HYMET Project: development of new technologies applicable to the decarbonization of the steel industry and the revaluation of its by-products. It analyzes the valorization of waste by means of a reduction reactor, the generation of green hydrogen, and the study of the valorization of captured carbon dioxide.
- EFISOEC Project: development of technology for the production of green hydrogen by means of 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 processes of the Spanish intensive industry with the purpose of advancing in its decarbonization.
- H2toGreenCeramics Project: applied research for the production of green hydrogen in situ in the Ceramics Cluster and the energy optimization of melting furnaces with oxy-combustion process.

Critical Raw Materials

- PHOS4LIFE® technology: production of technical-grade phosphoric acid from sewage treatment plant sludge ash.
- RARETECH® technology: technology to produce rare earth concentrates from monazite-type minerals.
- RECYCLION® technology: technology for the recovery of critical raw materials (Li, Co, Ni, P and graphite) from the recycling of electric vehicle batteries.
- REMSELAN Project: obtaining rare earths (cerium, neodymium, praseodymium, lanthanum and europium) by separation and purification of lanthanum.
- BIORECOVER Project: recovery of rare earths and platinum from primary and secondary sources.

- PERTE VEC FUTURE FAST FOWARD project: within this initiative, Técnicas Reunidas will develop the "RELOAD" project for the recovery of critical raw materials and high-value metals from batteries, super magnets for motors and electronic components for electric vehicles.
- SUNRISE PV: Técnicas Reunidas participates as a technologist and engineer for the development of new processes for the recovery and reuse of critical materials and components in the photovoltaic solar energy value chain.
- MINETHIC Project: development of technologies for the recovery of critical raw materials, essential for decarbonization, such as rare earths, cobalt, lithium, nickel, manganese, phosphorus, etc., from various by-products and waste.

Bio refining

- LEVAPLUS project: development of technology that allows the valorization of raw materials rich in C6 sugars to produce carboxylic acids to obtain chemical products, polymers or pharmaceuticals, among others.

Nuclear fusion

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

Chemical Processes

- POWER2HYPE Project: development and demonstration of a new process to produce hydrogen peroxide, changing the established energy-demanding chemical route to a sustainable electrochemical route.

FY 2023 RESULTS

€ million	2023	2022	Variation
Net Revenues	**4,135.2**	**4,233.4**	**-2%**
Other Revenues	11.2	14.9	
Total Income	4,146.3	4,248.2	
Raw materials and consumables	-3,028.8	-3,352.7	
Personnel Costs	-545.0	-480.9	
Other operating costs	-390.1	-380.0	
EBITDA	**182.5**	**34.6**	**427%**
Amortisation	-25.9	-25.9	
EBIT	**156.6**	**8.7**	**1691%**
Financial Income / expense	-52.8	-27.2	
Share in results obtained by associates	-0.4	-0.1	
Profit before tax	**103.3**	**-18.5**	**N.M.**
Income taxes	-43.6	-15.9	
Profit for the year from continuining operations	**59.7**	**-34.5**	**N.M.**
Profit (loss) from discontinued operations	0.0	0.0	
Profit for the year	**59.7**	**-34.5**	**N.M.**
Non-controlling interests	1.2	-2.6	
Profit Attibutable to owners of the parent	**61.0**	**-37.1**	**N.M.**

Revenues

Net revenues reached €4,135.2 million in 2023, with a 2% decrease versus 2022. The company has progressively moved back to sales above €4 billion and expects this sales plateau to be sustained in coming years.

The net revenues breakdown is as follows:

€ million	2023	*Weight*	Variation	2022	*Weight*
Refining	947.5	*22.9%*	-33.6%	1,425.9	*33.7%*
Natural gas	2,347.4	*56.8%*	43.8%	1,632.1	*38.6%*
Petrochemicals	611.6	*14.8%*	-27.4%	842.6	*19.9%*
Low carbon technologies	42.0	*1.0%*	635.1%	5.7	*0.1%*
Other	186.6	*4.5%*	-42.9%	327.0	*7.7%*
Net Revenues	**4,135.2**	***100%***	-2.3%	**4,233.4**	***100%***

- Sales from the **Refining** division reached €947.5 million in 2023. Refining revenues represented 23% of total sales. The most relevant projects in this division that contributed to sales are the refinery expansion for ExxonMobil in Singapore and the modernization of the BAPCO refinery.

- Sales from the **Natural gas** division reached €2,347.4 million in 2023 and represented 57% of total sales. The most relevant projects in this division that contributed to sales are Marjan for Saudi Aramco, the North Field packages 3 and 4 for Qatargas, Dalma for ADNOC and the 4 combined cycles for CFE.
- Sales from the **Petrochemicals** division reached €611.6 million in 2023. Petrochemicals revenues represented 15% of total sales. The most relevant projects in this division that contributed to sales are the petrochemical complexes for Orlen and Sasa, as well as the ethylene plant for INEOS.
- Sales from the **Low carbon technologies** division reached €42.0 million in 2023, representing 1% of total sales.
- Sales from the **Other** division reached €186.6 million in 2023. Its revenues represented 4% of total sales.

Operating and net profit

€ million	2023	2022	Variation
Operating profit from divisions	253.9	101.4	150%
Costs not assigned to divisions	-97.3	-92.7	
EBIT	156.6	8.7	1691%
Margin	*3.8%*	*0.2%*	
Net Profit*	59.7	-34.5	N.M.
Margin	*1.4%*	*-0.8%*	

*Net Profit from from continuining operations

2023 **EBIT** stood at €156.6 million with an **EBIT margin** over sales that improved to 3.8% from the 0.2% margin reported in the same period of last year.

Q4 2023 EBIT stood at €36.8 million with an EBIT margin of 4.1%. This figure also positively compares to the 4.0% level reported in the Q3 2023, highlighting the steady recovery of underlying margins quarter after quarter.

Net profit in 2023 was €59.7 million, which compares to €-34.5 million in the same period of last year.

The EBIT and EBIT margin breakdowns stand as follows:

	2023						
€ million	Total	Refining	Natural gas	Petchem	Low carb tech	Other	Not assigned
Net revenues	4,135.2	947.5	2,347.4	611.6	42.0	186.6	
EBIT	156.6	10.2	174.0	105.2	4.7	-40.3	-97.3
Margin	*3.8%*	*1.1%*	*7.4%*	*17.2%*	*11.3%*	*-21.6%*	

	2022						
€ million	Total	Refining	Natural gas	Petchem	Low carb tech	Other	Not assigned
Net revenues	4,233.4	1,425.9	1,632.1	842.6	5.7	327.0	
EBIT	8.7	73.5	55.5	89.5	-1.1	-116.0	-92.7
Margin	*0.2%*	*5.2%*	*3.4%*	*10.6%*	*-19.5%*	*-35.5%*	

In addition to the operating income evolution, explained above, net profit also reflects the effect of financial results and taxes:

- Financial expense was €-52.8 million, including €-34.1 million of financial costs and €-18.7 million due to losses from transactions in foreign currency:
  - The €-34.1 million figure includes €-7.8 million of hyperinflation adjustment in Turkey (considered as hyperinflation economy since the start of 2022) and Argentina.
  - The €-18.7 million figure includes €-2.9 million related to losses from transactions in foreign currency and, the main amount is related to €-15.9 million from an extraordinary non-cash item. According to IFRS, conversion differences coming from subsidiaries are booked as negative or positive reserves in the consolidated equity until the day the subsidiary is liquidated. At that date, such reserves are to be reversed against the financial results of the year.
  - Without these adjustments, financial expense would have been €-29.1 million.

€ million	2023	2022	Variation
Net financial Income *	-34.1	-29.4	16%
Gains/losses in transactions in foreign currency	-18.7	2.3	N.M.
Financial Income/Expense	**-52.8**	**-27.2**	**95%**

* Financial income less financial expenditure

- Company income tax was €-43.6 million. The tax expense is due to the accrual of tax in the countries where the Group has obtained profits, as well as the non-activation of tax credits in countries where the Group obtained negative tax bases. The country that contributes the most to obtaining 2023 Group results is Spain.

- Income tax rate amounts to 36.6% of the PBT (Profit Before Tax) subject to taxation, since negative impact of conversion differences from subsidiaries liquidation are not subject to tax. The calculation is detailed in the following table:

€ million	2023
Profit before tax	**103.3**
Conversion differences from subsidiaries liquidation	15.9
Taxable PBT	**119.2**
Income taxes	-43.6
Tax rate	**36.6%**

Balance sheet

€ million	31 Dec 2023	31 Dec 2022
Tangible and intangible assets	109.0	107.8
Investment in associates	1.1	1.5
Deferred tax assets	369.5	409.4
Other non-current assets	92.0	96.7
Non-current Assets	**571.6**	**615.4**
Inventories	6.5	7.7
Trade and other receivables	2,879.2	3,174.6
Other current assets	34.6	59.0
Cash and Financial assets	1,033.7	959.7
Current assets	**3,954.0**	**4,200.9**
TOTAL ASSETS	**4,525.6**	**4,816.4**
Equity	**324.5**	**83.0**
Profit Participating Loan (PPL)	175.0	175.0
Total Equity (Equity + PPL)	**499.5**	**258.0**
Non-current liabilities	**476.6**	**699.9**
Financial Debt	380.8	600.2
Other non-current liabilities	95.9	99.7
Long term provisions	**82.1**	**82.1**
Current liabilities	**3,467.4**	**3,776.4**
Financial Debt	305.1	201.9
Trade payable	3,101.0	3,487.5
Other current liabilities	61.3	87.0
Total liabilities	**4,201.1**	**4,733.3**
TOTAL EQUITY AND LIABILITIES	**4,525.6**	**4,816.4**

The **net cash position** at the end of 2023 increased to €348 million, a level that compares with €158 million at the end of 2022. The 2023 figure does not include any downpayments from the Riyas project.

€ million	31 Dec 2023	31 Dec 2022
Current assets less cash and financial assets	2,920.3	3,241.2
Current liabilities less financial debt	-3,162.3	-3,574.5
COMMERCIAL WORKING CAPITAL*	**-242.0**	**-333.3**
Financial assets	0.0	0.0
Cash and cash equivalents (1)	1,033.7	959.7
Financial Debt (2)	-685.9	-802.1
NET CASH POSITION	**347.8**	**157.5**
NET CASH + COMMERCIAL WORKING CAPITAL	**105.8**	**-175.7**

*Calculated as "Current assets less cash and financial assets" - "Current liabilities less financial debt"
(1) Includes PPL
(2) Does not include PPL

At the end of December 2023, total equity of the company stood at €499.5 million. This figure includes the €175 million PPL from SEPI (booked in 2022) and the effect of the capital increase completed in Q2 2023. Total equity has almost doubled in the last 12 months, greatly strengthening the financial profile of the company.

€ million	31 Dec 2023	31 Dec 2022
Shareholders' funds + retained earnings	376.6	157.9
Treasury stock	-73.8	-72.9
Hedging reserve	10.9	-14.2
Interim dividends	0.0	0.0
Minority Interest	10.9	12.2
Profit Participating Loan (PPL)	175.0	175.0
TOTAL EQUITY + PPL	**499.5**	**258.0**

APPENDIX

IFRS 16: 2023 Reconciliation

€ Million	2023	Impact	2023 Adjusted IFRS 16
EBITDA	182.5	-19.8	162.7
Depreciation	-25.9	19.9	-6.0
Financial charges	70.4	-1.2	69.2
Net profit	103.3	1.4	104.7
"Right of use" assets	44.4	-44.4	0.0
Short-term lease liabilities	19.9	-19.9	0.0
Long-term lease liabilities	25.8	-25.8	0.0

Alternative Performance Measures ("APMs")

1. EBIT^{APM}
Earnings before interest and taxes (EBIT) is an indicator of the Group's operating result without taking into account financial and tax results. It is used as a complement to EBITDA in comparison with other companies in the sector which have a low amount of assets. EBIT^{APM} is equivalent to "operating profit".

The table below provides a reconciliation of our revenue to EBIT^{APM}:

€ million	2023	2022
EBITDA	182.5	34.6
Amortisation	-25.9	-25.9
EBIT^{APM} (unaudited)	**156.6**	**8.7**

2. EBIT Margin^{APM}
EBIT Margin^{APM} corresponds to EBIT^{APM} over revenue. EBIT Margin^{APM} is an indicator of the Group's operating result without taking into account financial and tax results. The Group uses the EBIT Margin^{APM} as a complement to EBITDA in comparison with other companies in the sector which have a reduced amount of assets.

The table below provides a reconciliation of our revenue to EBIT Margin^{APM}:

€ million	2023	2022
EBIT^{APM}	156.6	8.7
Net revenues	4,146.3	4,248.2
EBIT Margin^{APM}	**3.8%**	**0.2%**

3. **Leverage Ratio^{APM}**
   Leverage Ratio^{APM} is the alternative performance measure used by the management to monitor the Company's financial leverage. It is calculated as borrowings (excluding borrowings associated with rights of use of leased assets and participating loans) divided by equity. Equity is the amount shown in the Financial Statements.

€ million	2023	2022
Borrowings	685.9	802.1
Equity	324.5	83.0
Leverage Ratio^{APM} (unaudited)	**2.11**	**9.66**

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

€ million	2023	2022
Cash and equivalents	1,033.7	959.7
Financial assets at fair value	0.0	0.0
Borrowings	685.9	802.1
Net cash[APM] (unaudited)	**347.8**	**157.5**

Net cash[APM] (unaudited) as cash and cash equivalents, plus financial assets at fair value,less borrowings

5. **Average Variable Interest Rate[APM]**

   Average Variable Interest Rate[APM] is the result of multiplying on a weighted basis interest rate, the margin over EURIBOR associated with each financing instrument (whether bonds or bank financing) by the total contracted amount of such instruments, dividing the resulting amount by the total sum of the contracted amount of all financing instruments. The Group uses the Average Variable Interest Rate[APM] as an indicator of the Group's average cost of its variable debt.

   As of December 31, 2023, the Group's Average Variable Interest Rate[APM] was 2.079% (2.19% as of December 31, 2022).

6. **Backlog[APM]**

   Backlog[APM] is calculated by the Group as the estimated amount of contracted revenue that the Group expects will result in future revenue from existing contracts adjusted to reflect (i) changes in the scope of the contract as a result of change orders agreed with the client in projects developed under a Lump Sum Turnkey Contract (as defined herein) or estimation adjustments in projects developed under a Front End Engineering Design and Open Book Estimate scheme in which the Group carries out a detailed analysis of the project, from the definition of the main processes and identification and selection of technologies to the definition and dimension of the auxiliary services and logistical needs of the plant, and (ii) fluctuations in the exchange rate of currencies other than the euro applicable to the projects. The Backlog[APM] calculation also includes the estimated amount of revenue from contracts that have been signed but for which the scope of services and therefore the price has not yet been determined. In this case the Group makes a downward revenue estimation and includes it as an item in the Backlog[APM]. See "Business—Backlog[APM] and Pipeline".

   The Group considers its Backlog[APM] a relevant indicator of the pace of development of its activities and monitors it to plan for its needs and to adjust its expectations, financial budgets and forecasts. The volume and timing of work execution in the Group's Backlog[APM] are relevant for the purpose of anticipating the Group's operational and financing needs and its ability to execute its Backlog[APM] is dependent on its ability to meet such operational and financing needs. See "Business - Backlog^{APM} and Pipeline".

On the foregoing basis, the Backlog^{APM} as of December 31, 2023 amounts to €9,354.7 million (€9,514.8 million as of December 31, 2022).

Disclaimer

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This document also contains, in addition to the financial information prepared in accordance with International Financial Reporting Standards ("IFRS") and derived from our financial statements, alternative performance measures ("APMs") as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015 (ESMA/2015/1415en) and other non-IFRS measures ("Non-IFRS Measures"). These financial measures that qualify as APMs and non-IFRS measures have been calculated with information from the Company; however those financial measures are not defined or detailed in the applicable financial reporting framework nor have been audited or reviewed by our auditors.

The Company uses these APMs and non-IFRS measures when planning, monitoring and evaluating its performance. The Company considers these APMs and non-IFRS measures to be useful metrics for its management and investors to compare financial measure of historical or future financial performance, financial position, or cash flows. Nonetheless, these APMs and non-IFRS measures should be considered supplemental information to, and are not meant to substitute IFRS measures. Furthermore, companies in the Company's industry and others may calculate or use APMs and non-IFRS measures differently, thus making them less useful for comparison purposes.

For further details on APMs and Non-IFRS Measures, including its definition and explanation, please see the section on "Alternative performance measures" (page

116 et seq.) of the integrated annual report for the fiscal year ended in 31 December 2023 of the Company, published on 29th February 2024. Additionally, for further details on the calculation and reconciliation between APMs and Non-IFRS Measures and any applicable management indicators and the financial data of the period ended 31 December 2023 please see the section on "Alternative performance measures" of FY 2023 results report document, published on 29th February 2024. All the documents are available on the Company's website (www.tecnicasreunidas.es).