2021 Annual Financial Report(*)

(*) this document constitutes a copy, in PDF format, of the Annual Financial Report of Maire Tecnimont S.p.A. at December 31, 2021 and does not constitute the document in ESEF format required by the ESEF Technical Standards as per Delegated Regulation (EU) 2019/815 (the "ESEF Regulation").

The Annual Financial Report of Maire Tecnimont S.p.A. at December 31, 2021 in the ESEF format required by the ESEF Regulations, including the required markings, is available on the Company's website www.mairetecnimont.com ("Investors" - "Results and Presentations" - "Financial Results") and on the authorized storage mechanism "1info" (www.1info.it).

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Directors' Report

1. Board of Directors, Board of Statutory Auditors and Independent Audit Firm

Board of Directors	
Chairperson	Fabrizio DI AMATO
Chief Executive Officer	Pierroberto FOLGIERO
Director	Luigi ALFIERI (*)
Independent Director	Gabriella CHERSICLA (**Chairperson) (*** Chairperson)
Director	Stefano FIORINI (**)
Independent Director	Vittoria GIUSTINIANI (*)
Independent Director	Andrea PELLEGRINI (* Chairman) (***)
Independent Director	Maurizia SQUINZI (**)
Independent Director	Patrizia RIVA (***)

The Board of Directors was appointed by the Shareholders' Meeting of April 29, 2019 and will remain in office until the approval of the 2021 Annual Accounts

(*) Member of the Remuneration Committee

(**) Member of the Control and Risks Committee

(***) Member of the Related Parties Committee

Board of Statutory Auditors	
Chairperson	Francesco FALLACARA
Statutory Auditor	Giorgio LOLI
Statutory Auditor	Antonia DI BELLA
Alternate Auditor	Massimiliano LEONI
Alternate Auditor	Alessandra CONTE
Alternate Auditor	Andrea LORENZATTI

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of April 29, 2019 and will remain in office until approval of the 2021 Annual Accounts

Independent Audit Firm
PricewaterhouseCoopers S.p.A.

The company's Shareholders' Meeting of December 15, 2015 awarded the audit of accounts for the years 2016-2024 to the independent audit firm PricewaterhouseCoopers S.p.A..

2. Key Events in the year

The Group’s key operating events in 2021 were as follows:

NEW ORDERS AND COMMERCIAL AGREEMENTS

The significant increase in demand for the various commodities supports, across all Group operating regions, a greater propensity for investments than in the recent past, and this borne out by the major projects acquired and a commercial pipeline at never-before-seen levels.

The advanced technology portfolio accompanied by a flexible organizational model, the digitization of processes and advanced collaboration with partners and clients have finally made it possible to acquire new contracts for approx. Euro 6.4 billion, a record high for the Group, for licensing, engineering services and EP (Engineering and Procurement) and EPC (Engineering, Procurement and Construction) activities.

The major contract awards to the Hydrocarbons BU in 2021 were:

SOCAR (AZERBAIJAN) - two Engineering, Procurement and Construction (EPC) contracts with Heydar Aliyev Oil Refinery, a subsidiary of SOCAR, as part of the work to modernize and rebuild the Heydar Aliyev refinery in Baku. SOCAR is the oil authority of the Republic of Azerbaijan. The total value of the contracts value is approx. USD 160 million.

REFINERY PORT HARCOURT (NIGERIA) - contract from the Nigerian Federal Executive Council for the execution of refurbishment works on the Port Harcourt Refinery Company Limited refining complex, located at Port Harcourt, in Rivers State, Nigeria. Port Harcourt Refinery Company Limited is a subsidiary of the Nigerian National Petroleum Company (NNPC), the national oil company. The total contract value is approx. USD 1.5 billion.

AGIC (SAUDI ARABIA) - awarded by Advanced Global Investment Company (AGIC), a PDH-PP Complex Integrated project for the construction of two propylene units on an Engineering Procurement and Construction Lump Sum Turn-Key basis. The total contract value is approx. USD 500 million.

PX IOCL (INDIA) - a Lump Sum EPCC (Engineering, Procurement, Construction and Commissioning) contract from Indian Oil Corporation Limited (IOCL) for the construction of a paraxylene (PX) plant and the relative infrastructure. The plant shall be located in Paradip, in the State of Odisha, in Eastern India. The total contract value is approx. USD 450 million.

BARAUNI IOCL (INDIA) - Lump Sum EPCC contract from Indian Oil Corporation Limited (IOCL) for the construction of a new polypropylene plant and the related product logistics section. The plant shall be located in Barauni, in the state of Bihar, in north-eastern India. The total contract value is approx. USD 170 million.

REPSOL (PORTUGAL) - contract for the construction of a polypropylene unit and a linear polyethylene unit on an EPC Lump Sum Turn-Key basis, as part of the expansion program of Repsol's industrial complex located in Sines, Portugal. The contract value is approx. Euro 430 million.

LOTOS Oil (POLAND) - EPC Lump Sum-Turn Key contract from LOTOS Oil for the expansion of the Gdansk Refinery in order to improve crude oil processing capacity and for higher quality and more energy-efficient fuels. The contract, worth slightly in excess of Euro 200 million, covers the execution of a hydrocracking plant (Hydrocracked Base Oil plant) and the associated units.

KOS (RUSSIA) - EP contract from Kazanorgsintez PJSC (KOS) for the execution of a low-density polyethylene (LDPE)/ethylene vinyl acetate (EVA) plant, within the KOS complex, in Kazan, Tatarstan (Russian Federation). The total EP contract value is approx. Euro 130 million. The contract is on a Lump Sum basis for engineering and procurement services, while the equipment and materials supply is on a reimbursable basis.

BOROUGE 4 (Abu Dhabi, United Arab Emirates) - three EPC contracts with Abu Dhabi Polymers Company (Borouge - joint venture between Abu Dhabi National Oil Company (ADNOC) and Borealis) relating to the fourth expansion phase (Borouge 4) of the Ruwais polyolefin complex, located 240 km west of Abu Dhabi. The total value of the three EPC Lump Sum Turn-Key contracts is approx. USD 3.5 billion.

Awarded by some of the most prestigious international clients, these contracts are described in greater detail in the section "Backlog - Main projects awarded".

The drive to reduce the carbon footprint is supporting the Group's green activities in particular. New projects for the Green Energy BU mainly concerned new contracts acquired by the subsidiary NextChem, the Maire Tecnimont subsidiary operating in green energy and technologies to support the energy transition and the formalization of change orders and project variants as part of maintenance services for energy efficiency.

The following main co-operation and development agreements were announced during 2021 in this area:

Agreement between the Maire Tecnimont Group and Essential Energy USA Corp for a new Bio-Refinery in South America

On February 15, 2021 Maire Tecnimont S.p.A., through its subsidiary NextChem, and Essential Energy USA Corp. concluded a Front-End Engineering Design contract with a concurrent Memorandum of Understanding to build a new biorefinery in South America for renewable diesel production. Essential Energy USA Corp. is one of South America's main biofuel producers.

In the light of the client's final investment decision, the biorefinery will be scaled to produce 200,000 tons per annum of high quality renewable diesel from second-generation (non-food competitive) biological feedstocks. NextChem will be the exclusive EPC contractor. The project is expected to be operational in 2023.

The biorefinery will convert discarded vegetable and animal oils into HVO (hydrogenated vegetable oils), also known on the market as renewable diesel. This is a product that is chemically identical to diesel from fossil sources but with the advantage of improved chemical and physical performances. Renewable diesel is used worldwide as a biofuel in diesel vehicles that do not require any modification of their engines for its use. In addition, renewable diesel enables a reduction of carbon intensity, i.e. CO_2 emissions of greenhouse gas emissions of over 80% compared to petroleum diesel. The Maire Tecnimont Group has solid experience as an EPC contractor in energy services, including in South America. In addition, NextChem is active in various projects for the energy transition, with a focus on implementing solutions for reducing the carbon footprint by developing new technologies for the production of green fuels, biochemicals and circular chemical products from waste.

Agreement between Nextchem and Agilyx for the global development of chemical recycling via pyrolysis

On March 15, 2021 — Maire Tecnimont S.p.A. announced that its subsidiary NextChem, and Agilyx Corporation, a wholly-owned subsidiary of Agilyx AS (Euronext Growth (Oslo): "AGLX"), a pioneer in advanced post-consumption plastics recycling, had entered into an agreement to support the development of advanced chemical recycling facilities globally. This agreement combines Agilyx' s pyrolysis technology with NextChem's expertise in licensing, implementation and EPC services for plastics recycling solutions.

Under the agreement, NextChem will act as a technology and EPC partner for Agilyx. The partnership is designed to accelerate the implementation of chemical recycling facilities globally. These facilities will utilize Agilyx advanced pyrolysis technology in the conversion of mixed waste plastic into circular olefins and circular fuels. With long-standing expertise in the advanced recycling of plastics, Agilyx's proprietary chemical recycling process can turn post-consumption plastics back into their original chemical components for continued use, increasing the recovery of plastics that cannot be recycled with traditional recycling processes.

The scope of the partnership, in its first phase, is to develop a series of chemical recycling projects for third parties. The initial focus will be on two already identified projects, one in Europe and one in South America. Furthermore, the agreement would represent an opportunity for co-investments in specific projects in order to accelerate the overall commercial pipeline.

Maire Tecnimont Group and Adani Enterprises Ltd join up to develop green hydrogen projects in India

On March 22, 2021 — Maire Tecnimont S.p.A. announced that, through its subsidiaries NextChem, Stamicarbon and MET Development (MET DEV), it had signed a Memorandum of Understanding with ADANI ENTERPRISES Ltd (AEL) for the development of industrial projects that will integrate NextChem's and Stamicarbon's technologies, in addition to MET DEV's project development skills and expertise to industrialize green chemicals and the circular economy in India. The projects will be focused on producing chemicals, ammonia and hydrogen from renewable feedstock.

AEL is an Indian company listed on the National Stock Exchange of India and is part of the Adani Group, India's largest energy and infrastructure player, with 14 GW (gigawatts) of renewable energy assets in operation, under construction and as part of contracts awarded. Adani Enterprises is strongly committed to enabling the renewable transition via its 3.2 GW of existing and planned annual solar panel manufacturing capability as well as its ability to develop technologies to reduce environmental impact.

Under the agreement, AEL and Maire Tecnimont Group's subsidiaries will jointly explore integrated opportunities for the optimization of renewable feedstock by utilizing NextChem's and Stamicarbon's technologies for chemicals, ammonia and green hydrogen applied to the chemicals value chain. Leveraging its solid and long-standing presence in India (more than 2,200 engineers and about 3,000 Electrical & Instrumentation professionals in Mumbai), its technology portfolio, and its strong competencies as an end-to-end developer of large-scale complex projects, the Maire Tecnimont Group will guarantee technological solutions and the best know-how for the development and execution of the projects.

Maire Tecnimont Group signs agreement to develop project for a bio-polymers plant in the Russian Federation

On April 21, 2021, Maire Tecnimont S.p.A. announced that its subsidiaries NextChem and MET Development had signed an agreement with MC TAIF JSC (TAIF) for the co-development of a new biodegradable polymers plant in the Tatarstan Republic (Russian Federation), utilizing NextChem's know-how and MET Development's project development capacities.

TAIF is the largest investment firm in Tatarstan's industrial sector, engaged in the oil & gas, chemicals and petrochemicals and energy sectors. On the basis of the agreement, TAIF and the Maire Tecnimont Group subsidiaries shall assess and jointly consider the opportunities of the biopolymers plant in order to lay the foundations for developing working relations between the parties. NextChem shall be selected to provide its expertise and its know-how for the FEED (Front End Engineering Design) activities and for the EPC for the construction of the biopolymers plant. The Maire Tecnimont Group will ensure the best technology solutions and know-how for project development and execution, relying on its technology portfolio and strong competencies as an end-to-end developer of large-scale complex projects.

New contract from Total Corbion Pla for the design of a biopolymers production plant in France

On April 23, 2021, Maire Tecnimont S.p.A. announced that its subsidiary NextChem had been awarded a contract by Total Corbion PLA, a 50% joint venture between Total and Corbion, to complete the Front End Engineering Design for a 100,000 ton per year Polylactic Acid (PLS) plant in Grandpuits, France. The plant, which is expected to be operative by 2024, shall be the first of its kind in Europe. It could make Total Corbion PLA - already well positioned to meet the rapidly growing demand for Luminy® PLA resins - the global PLA market leader.

Maire Tecnimont's experience in the polymerization of traditional plastics, together with NextChem's portfolio of innovative green chemistry solutions guarantees the know-how required to manage an industrial initiative of this kind.

Maire Tecnimont Group starts work on a renewable energy fertilizer plant in Kenya

On May 17, 2021, Maire Tecnimont S.p.A. announced that its subsidiaries MET Development, Stamicarbon and NextChem had started work on a renewable energy fertilizer plant in Kenya. MET Development has signed an agreement with Oserian Development Company to develop a plant in the Oserian Two Lakes Industrial Park, on the southern shores of Lake Naivasha, 100km north of Nairobi.

Oserian Two Lakes Industrial Park is a new 150-hectare "Special Economic Zone" in Nakuru County. Its purpose is to provide a "protected oasis" for like-minded companies and investors and to become an example of sustainable industrialization in East Africa. The Industrial Park, which is owned and managed by Oserian Development Company, comprises a 7,500 hectare mixed-use property called Oserian Two Lakes, which includes horticulture, industry and commerce, residential, tourism and wildlife conservation areas across three different regions.

The renewable energy fertilizer plant will support Kenya's inclusive, low-carbon growth, agricultural production, smallholder farmers and local communities. The plant will be located close to Kenya's largest geothermal power plant and will be partly powered by solar energy produced on site instead of fossil fuels, thus eliminating the carbon footprint of the production phase. The plant will reduce carbon emissions by around 100,000 tons of CO_2 per year compared to a gas-fired fertilizer plant. The project will also reduce dependence on imported nitrogen fertilizers by around 25%. Kenya currently imports around 800,000 tons of nitrogen fertilizer per year (source: Argus Media, 2019). Argus Media, 2019). Finally, the project will make the price of fertilizers more competitive and ensure that they are supplied at the right time for use.

Plant technology will be provided by Stamicarbon, an innovation and licensing company belonging to the Maire Tecnimont Group and a world leader in fertilizer plant design. Stamicarbon will supply Stami Green Ammonia technology for the production of ammonia, as well as Nitric Acid technology as an integrated technological solution for the production of nitrate-based fertilizers. Although based on proven technology, the technological configuration – characterized by a modular approach, making it ideal for small-scale installations – will be the first of its kind.

The renewable fertilizer plant aims to produce 550 tons of calcium ammonium nitrate (CAN) and/or NPK fertilizers (nitrogen, phosphorus and potassium fertilizers) per day and will be the first state-of-the-art, commercial-scale plant to produce nitrate fertilizers from renewable sources. MET Development is currently working with local and international partners to establish a project development consortium.

Preliminary engineering work has begun, and NextChem started work on the Front-End Engineering Design (FEED) in December 2021. The intention is to start building the renewable fertilizer plant in 2025, which will be destined for the Kenyan agricultural industry. The fertilizers will mainly be produced using CAN but the plant will have the versatility to also produce NPK fertilizers to meet local agricultural needs and demands.

The project will use around 70 MW of renewable energy, provide a starting point for locally produced Kenyan fertilizer, and is expected to generate over a hundred jobs in the area while supporting the wider economy and farmers.

Mytilineos and Nextchem, a Maire Tecnimont Group subsidiary, sign an agreement to conduct a feasibility study for the development of a green hydrogen production plant in Italy

On May 20, 2021, Maire Tecnimont S.p.A. announced that its subsidiary NextChem had signed an engineering agreement with MYTILINEOS's Renewable and Storage Development (RSD) business unit to develop a green hydrogen production plant using electrolysis in Italy.

NextChem is a Maire Tecnimont subsidiary operating in the field of green chemistry and energy transition technologies. MYTILINEOS's RDS business unit is a market leader in the development, construction and operational management of industrial-scale solar and hybrid energy projects, with a proven track record of more than 1 GW of medium and large-scale solar projects worldwide and large battery storage facilities.

According to the agreement, the RSD business unit will use NextChem and Maire Tecnimont's expertise in hydrogen technologies to expand in the sector.

The project, which will convert renewable energy from one of MYTILINEOS's solar plants into green hydrogen, seeks to provide local buyers with a carbon-neutral energy carrier alternative and could also potentially encourage the decarbonization of hard-to-reconvert industrial sectors.

The Maire Tecnimont Group subsidiary Nextchem wins a contract with Totalenergies to build a biojet plant in France

On June 3, 2021, Maire Tecnimont S.p.A. announced that its subsidiary NextChem had been awarded a contract by TotalEnergies to develop Front-End Engineering Design activities and provide its technological expertise in order to build an SAF (Sustainable Aviation Fuel) production plant in Grandpuits, France, capable of processing 400,000 tons per year. The project is part of a plan to convert the Grandpuits refinery into a zero-crude platform and biorefinery. NextChem has already started engineering work on Europe's first 100,000-tonne-per-year plant for the production of biodegradable and compostable plastics. The Biojet plant, which will come into operation in 2024, will strengthen NextChem's contribution to TotalEnergies' net-zero strategy and represents an important phase in the development of Grandpuits' zero-crude platform, known as "Projet Galaxie". "Projet Galaxie" relates to the production of Biojet fuels by processing waste oils and residual fats from the food industry. This new unit follows the roadmap established by France towards developing sustainable biofuels for aviation, with a target of 2% by 2025 and 5% by 2030. Maire Tecnimont's technological SAF (or Biojet) knowledge is a key component of its green technology portfolio, making the Group an enabler of the energy transition. Contributing to sustainable mobility through a wide range of green and low-carbon fuel solutions is one of the Group's objectives for 2025, as part of its sustainability strategy.

Nextchem and Paul Wurth collaborate to develop innovative low-carbon solutions for the steel industry

On June 8, 2021, NextChem, a Maire Tecnimont Group subsidiary, and Paul Wurth, an SMS Group company and a leading provider of steel industry technologies, announced a collaboration to promote the integrated use of electrolysis and synthesis gas production in the steel industry.

By collaborating, NextChem and Paul Wurth seek to develop an advanced technological solution to convert natural gas into syngas for use during the production of DRI. The use of syngas (a mixture of carbon monoxide and hydrogen) decreases the reliance on fossil fuel and consequently reduces CO_2 emissions generated by the steel production process.

On the path to energy transition and industry decarbonization, NextChem and Paul Wurth will combine their expertise to investigate the possibility of integrating electrolysis technology into the syngas production process, with the ultimate aim of producing steel with minimized CO_2 emissions at a competitive price. Introducing green hydrogen into the metallurgical process further reduces the amount of coal required and consequently the carbon footprint of steelworks.

The Maire Tecnimont Group reaches an agreement with Greenfield Nitrogen Llc for the development of a green ammonia plant in the United States

On September 28, 2021, Maire Tecnimont S.p.A. subsidiaries NextChem, MET Development and Stamicarbon entered into an agreement with Greenfield Nitrogen LLC to develop the first dedicated green ammonia plant in the US Midwest. Under the terms of the agreement, NextChem will conduct a feasibility study for a green ammonia plant with a capacity of 240 tons per day, using renewable energy as feedstock, through the intermediate production of green hydrogen. MET Development will support Greenfield Nitrogen in the development of the project. The facility will use best available technology for producing green hydrogen, together with Stamicarbon's STAMI green ammonia technology that launched this year by Stamicarbon.

The project is the first in a series of green ammonia plants that Greenfiled Nitrogen plans to strategically develop in the U.S. Corn Belt. The plant and storage facility, which will be located near Garner, Iowa, will be powered by local renewable sources and the ammonia produced will be for the local market, traditionally a large user of this product. The green ammonia plant will support development in the area of low-carbon industry, with an expected reduction of more than 166 thousand t/y of CO_2 emissions. The production of approx. 83 thousand tons of ammonia per year will reduce dependence on ammonia currently imported from abroad.

Nextchem signs an agreement with Acciaierie d'Italia for a feasibility study on the decarbonization of Taranto steel plant

On October 21, 2021, Maire Tecnimont S.p.A. announced that through its subsidiary NextChem and Acciaierie d'Italia, Italy's leading steel-making group, owned by ArcelorMittal and Invitalia, an agreement had been signed for a feasibility study on the use at the Taranto steel plant of circular gas (syngas) obtained through NextChem's chemical recycling technology, based on the recovery of the carbon and hydrogen contained in plastic and dry waste through a partial oxidation process.

NextChem's technology makes it possible to obtain a circular gas that can be used both in refining processes and in the steel production cycle - replacing coal dust in the blast furnace or natural gas as a direct reduction - to cut carbon dioxide emissions. The feasibility study will focus on the environmental benefits of using circular gas at steel plants, in addition to the use of steel mill tail gas.

Both solutions could help significantly reduce the environmental impact of the steel production cycle.

Nextchem awarded engineering works by Eni for a CO2 capture plant in Italy

On December 17, 2021 Maire Tecnimont S.p.A. announced ENI had awarded its subsidiary NextChem the engineering works for a CO_2 capture plant at the natural gas plant of Casalborsetti, in the province of Ravenna. The project could extend into a full EPC (Engineering Procurement and Construction) should certain conditions be met. The plant would be able to separate the CO_2 from emissions from the natural gas plant's turbo compressor, purifying and compressing them, thus allowing the capture of about 25 thousand tons per year of carbon dioxide which would otherwise be released into the atmosphere.

The technology used for the capture of CO_2 in emissions gasses operates at high efficiency and low power consumption even at low concentrations. It has already been widely used to capture emissions of hard-to-abate industrial sectors worldwide.

NextChem has developed a range of solutions that recycle CO_2 to produce new chemicals, in view of an increasingly circular economy based on industrial symbiosis.

Nextchem in partnership with the SMS Group for an EP project to support the decarbonization of a steel plant in the Russian Federation

On December 23, 2021 Maire Tecnimont S.p.A. announced that its subsidiary, NextChem, had been awarded an EP Lump Sum subcontract by Paul Wurth, a company of the SMS group, to construct two Catalytic Partial Oxidation (CPO) reactor units. These will be installed at an existing integrated steel production plant in the Russian Federation.

NextChem will be a technology partner for the natural gas-fed syngas generation for a blast furnace by substituting coke with a syngas production of 140 thousand Nm3/h via its proprietary CPO technology.

The project's scope of work includes the supply of proprietary technology, Basic Design and Detailed Engineering, proprietary equipment and a catalyst. The latter will facilitate the conversion of natural gas to syngas.

NextChem will be also responsible for the supervision of tests and the start-up of the CPO reactor units. Project completion is scheduled within 16 months from the contract signing date.

The SMS group selected NextChem because of its knowledge and expertise as a technology provider and its leadership in syngas production from natural gas.

The proprietary CPO technology to be deployed by Nextchem enables the production of synthesis gas from natural gas and other gaseous hydrocarbons with enriched air and air-blown reactors

OTHER CORPORATE EVENTS

Early voluntary redemption of the "2017 – 2023 bond" of Euro 20 million subscribed in April 2017

On February 11, 2021 the Board of Directors of Maire Tecnimont S.p.A. decided to exercise the early voluntary redemption option for the "2017-2023 Bond" of Euro 20 million, intended for qualifying investors, subscribed in full by Amundi Asset Management in April 2017, with a contractual maturity of April 2023, for the terms and conditions of which the press release circulated on April 24, 2017 should be consulted. The decision to exercise the early redemption option was motivated by the economic conditions of the bond, which no longer reflected the Maire Tecnimont Group's improved credit rating, rendering it more onerous than the Group's other currently outstanding financial transactions. The bond was repaid in February 2021.

Shareholders' Meeting approves the financial statements as at December 31, 2020 and the proposals of the Board of Directors regarding the allocation of the net result for the year and the distribution of a dividend

On April 15, 2021, the Shareholders' Meeting of Maire Tecnimont S.p.A., meeting in ordinary session and in first call, noting the Consolidated Financial Statements at December 31, 2020 which report consolidated Group net income of Euro 57,801,000, approved: - the Statutory Financial Statements at December 31, 2020 of the company, which report a net loss of Euro 13,201,538.89; - the proposal of the Board of Directors to cover the net loss of Euro 13,201,538.89 through utilization of the "Retained earnings reserve" of Euro 47,456,372.98, to be considered fully relating to the retained earnings from 2019 which, following the coverage of the loss for the year above, shall amount to Euro 34,254,834.09, and - the proposal of the Board of Directors to distribute a dividend for a total of Euro 38,122,290.11 for each of the 328,640,432 ordinary shares, without par value, currently outstanding and with dividend rights and, therefore a dividend of Euro 0.116, gross of withholdings for each share through the use of the available reserves, as follows: i) Euro 34,254,834.09 through full use of the "Retained earnings" reserve, to be considered firstly relating to the retained earnings for the year ending December 31, 2019, for the portion not utilized to cover the net loss for 2020, and to the retained earnings for 2018, and ii) Euro 3,867,456.02 through the partial use of the "Extraordinary reserve" comprising net income accruing in the years prior to 2018.

The Shareholders' Meeting also approved:

- in accordance with Article 123-ter, paragraph 3-ter, of Legislative Decree No. 58/1998 ("CFA") and all other legal and regulatory provisions, and therefore through a binding motion, the 2021 Remuneration Policy;
- in accordance with Article 123-ter, paragraph 6 of the CFA and all other legal and regulatory provisions, and therefore with a non-binding motion, the Second Section of the "Report on the 2021 Remuneration Policy and fees paid";
- pursuant to Article 114-bis of the CFA, the adoption of an incentive plan named "2021-2023 Long-term Incentive Plan of Maire Tecnimont Group" reserved to the Chief Executive Officer and Chief Operating Officer of Maire Tecnimont as well as to selected Top Managers of Maire Tecnimont Group's companies, granting the Board of Directors, with the express faculty of sub-delegation, the widest powers necessary or appropriate, after having consulted the Remuneration Committee and the Board of Statutory Auditors, to fully implement the above approved incentive plan.

The Shareholders' Meeting also authorized the Board of Directors to purchase and dispose of treasury shares as per Articles 2357 and 2357-ter of the Civil Code, Article 132 of the CFA and Article 144-bis of Consob Issuers' Regulation 11971/1999, as subsequently amended, according to the means proposed by the Board of Directors on March 10, 2021.

Authorization was granted to acquire treasury shares up to a maximum 10,000,000 ordinary shares, 3.04% of the shares currently in circulation.

The authorization for the purchase and disposal of treasury shares aims at allowing the Company to purchase and dispose of ordinary shares, in full compliance with the European and national legislations currently in force for all purposes permitted by the applicable rules, including those relevant to Article 5 of the EU Regulation 596/2014 ("MAR") and according to the practices accepted by Consob as per Article 13 MAR, in compliance with the terms and manner which will be possibly approved by the competent corporate bodies, and, as and when required, to supply treasury shares dedicated to the compensation or incentive plans based on Maire Tecnimont shares adopted by the Company as per Article 114 of the CFA.

The authorization for the purchase of the treasury shares shall have a duration of 18 months, while the authorization for the disposal of the treasury shares is requested with no time limits. The unit price for the purchase of shares will be established from time to time for each individual transaction, provided that purchases of shares may be made at a price not higher than the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out also provided that the above mentioned unit price may not be lower in the minimum of 10% and not higher in the maximum of 10% than the reference price of the security on the Stock Market trading session on the day prior to each individual transaction.

Share buy-back program in service of the Maire Tecnimont share-based remuneration and incentive plans adopted by the company

On April 16, 2021, Maire Tecnimont S.p.A. announced that on April 21, 2021, the treasury share buyback program (the "Program") would be launched, as per Article 5 of Regulation (EC) No. 596/2014 (the "MAR"), in service of the Maire Tecnimont share-based remuneration and incentive plans adopted by the Company. The maximum number of ordinary shares to be purchased is 2,100,000, corresponding to 0.64% of the total number of outstanding ordinary shares of the Company, to be allocated to service the remuneration and incentive plans based on Maire Tecnimont shares adopted by the Company and taking into account the current Maire Tecnimont share price (on conclusion of trading on April 15, 2021). The potential maximum purchase outlay for the transaction is estimated at approx. Euro 6,500,000.

As part of the share buy-back program, between April 21, 2021 and April 28, 2021 inclusive, 2,100,000 treasury shares were acquired (corresponding to 0.64% of the total number of ordinary shares), at an average weighted price of Euro 2.609, for a total amount of Euro 5,479,356.80, and the program was therefore completed.

Change to the related Party Transactions Policy

On June 24, 2021, Maire Tecnimont S.p.A. announced that the Company's Board of Directors, after receiving the favorable opinion of the Related Parties Committee, approved the new "Related Party Transactions Policy" to make it compliant with the provisions of Consob Regulation No. 17221/2010, as latterly amended by Consob Resolution No. 21624 of December 20, 2020 (new rules on related party transactions).

The new rules on related party transactions, effective as of July 1, 2021, are available on the Company's website www.mairetecnimont.com, under the "Governance" - "Corporate Documents" section.

Communication on total number of voting rights

On July 7, 2021 - In accordance with Article 85-*bis*, paragraph 4-*bis* of Consob Regulation No. 11971 of May 14, 1999 (the "Consob Issuers' Regulation"), Maire Tecnimont S.p.A. communicated that, having fulfilled the requirements and conditions under the applicable regulation and the By-Laws, 8,426,924 ordinary Company shares without nominal value gained multi-voting status. For full disclosure, it should be noted that the share capital of the Company amounts to Euro 19,920,679.32, comprising 328,640,432 ordinary shares without par value. In accordance with Article 85-*bis*, paragraph 4-*bis* of the Consob Issuers' Regulation, the total number of voting rights is presented below, together with the number of shares comprising the share capital.

	Situation post multi-voting shares		Situation before multi-voting shares	
	No. shares comprising share capital	No. of voting rights	No. shares comprising share capital	No. of voting rights
Total ordinary shares	328,640,432	504,732,490	328,640,432	496,305,566
Ordinary shares **without multi-voting** rights (full rights: 01.01.2021) Coupon in progress No. 7 ISIN IT0004931058	152,548,374	152,548,374	160,975,298	160,975,298
Ordinary shares **with multi-voting** rights (full rights: 01.01.2021) Coupon in progress No. 7 ISIN IT0005105231	176,092,058	352,184,116	167,665,134	335,330,268

The Special Register, updated in accordance with Article 6-*quater*, paragraph 3 of the By-Laws, is available on the Company's website www.mairetecnimont.com, in the "Governance" - "Multi-voting shares" section.

Maire Tecnimont announces the launch of its first Euro Commercial Paper program

On December 16, 2021 - The Board of Directors of Maire Tecnimont S.p.A. approved the launch of its first Euro Commercial Paper Program (the "ECP Program" or the "Program") to issue one or more non-convertible notes (the "Notes").

The ECP Program, which will be placed with selected institutional investors, will be unrated and have a term of three years. The maximum aggregate amount of Notes issued and not redeemed under the ECP shall not exceed, at any time, Euro 150,000,000.

The Notes will not be listed on any regulated market.

The ECP Program will allow the Company to diversify its short-term financing instruments, obtain a wider choice of funding and optimize its debt management in terms of maturity and pricing profile.

Subject to compliance with all applicable laws and regulations:

- the Notes may be denominated in EURO, USD, GBP, CHF or any other currency;
- the duration of each Note shall be not less than one day or more than 364 days from and including the date of issue, to (but excluding) the, maturity date, and
- the Notes may have any denomination. The initial minimum denominations for Notes are Euro 100 thousand, USD 500 thousand, GBP 100 thousand and CHF 500 thousand. Minimum denominations may be changed from time to time.

The Notes and any non-contractual obligations arising out of or in connection with them will be governed by and construed in accordance with the UK law, except for the mandatory provisions of Italian law.

Account holders will, in respect of each Note, have the benefit of a Deed of Covenant in the event it becomes void in accordance with its terms.

In accordance with the Short-Term European Paper (STEP) initiative, the ECP Program will be submitted to the STEP Secretariat in order to obtain the STEP label in respect of Notes to be issued, so that the Notes will be eligible under the STEP Market Convention.

The ECP Program will not be guaranteed by any company belonging to the Maire Tecnimont Group or a third party.

On January 5, 2022, the Information Memorandum relating to the Euro Commercial Paper Program was made available to the public on the Company's website, on the Euro Commercial Paper Program (ECP) | Maire Tecnimont page.

Pursuant to Article 72, paragraph 6 of the Consob Issuers' Regulations, the minutes of the Company’s Board of Directors’ meeting that approved the Program will be made available to the public at the Company’s registered office, on the Company’s website on the Euro Commercial Paper Program (ECP) | Maire Tecnimont page and on the “1INFO” authorized storage mechanism.

The Company will inform the public of the status of implementation of the Program at the time of approval of the quarterly financial reports.

3. Investor information

MAIRE TECNIMONT S.P.A. SHARE CAPITAL AT DECEMBER 31, 2021

	Expressed in No. of shares	Expressed in No. of voting rights
Share Capital	Euro 19,920,679.32	Euro 19,920,679.32
Total	328,640,432	504,732,490
Floating share capital	160,975,298	n.a.(1)
Floating share capital %	48.982%	n.a.(1)

(1) Following the amendments to Article 2.2.1. of the “Regulation for markets organized and managed by Borsa Italiana”, in force since March 4, 2019, the calculation of the free float was made only on the basis of the number of shares and not on the number of votes.

MAIRE TECNIMONT SHARE PERFORMANCE

COVID-19

The COVID-19 pandemic in 2021 continued to impact the global economy. However, with the successful global roll-out of vaccines, a growing sense of confidence has taken hold, leading to brisk economic recovery in many countries. The international stock markets have reacted well, with overall rises in Europe recovering pre-pandemic levels.

At the same time, the indirect effects of the pandemic have increasingly brought to light certain uncertainties and difficulties concerning the general increase in the prices of the main raw materials and their availability, in addition to those regarding transport logistics and supply on certain markets.

MAIRE TECNIMONT

The Maire Tecnimont share price reacted particularly well amid the recovering markets, seeing an overall increase of 128%, significantly outperforming its main competitors. Considering also the distribution of dividends in April, amounting to Euro 38 million, the Total Shareholder Return for 2021 rises to approx. 132%.

The increase in Maire Tecnimont's share price stems from the continually improving operating-financial results throughout the year, as well as the steady and significant growth in the order intake, which in 2021 reached a record high for the Group, thanks to the awarding of major contracts both in new regions and with long-standing clients.

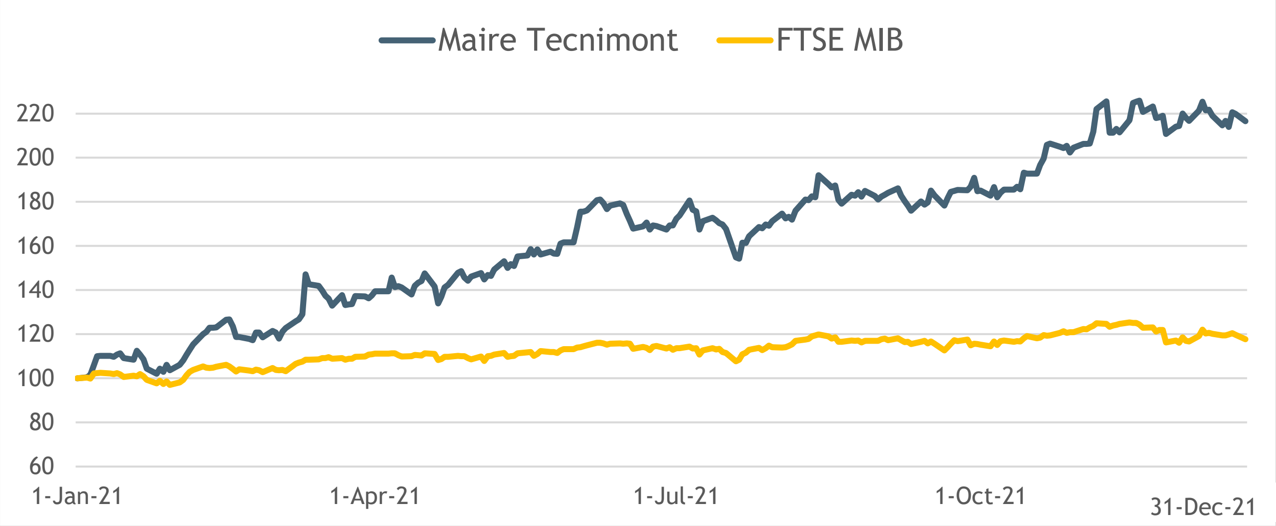
The share price increases also reflect the Group's leadership position in the development of Energy Transition and Green Chemistry technologies, along with a Business Model firmly rooted in the creation of sustainable value.

Throughout 2021, Maire Tecnimont remained keenly committed to investor relations, continuing to use the remote communication tools required during the pandemic. During 2021 Maire Tecnimont had online meetings with 290 investors on the main global stock markets. Overall interactions were up 78% on 2020, testifying to the growing interest of institutional investors in the Group.

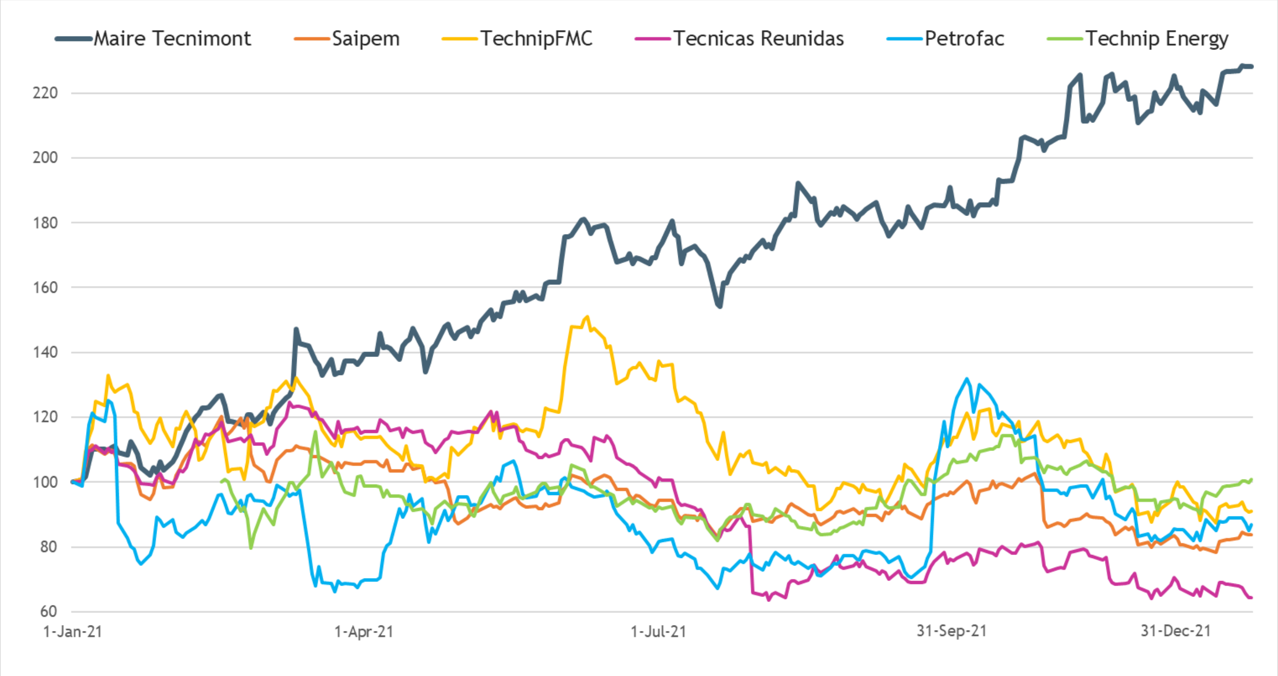
The average daily trading volume in 2021 was 1.3 million shares, at an average price of Euro 3.04.

Milan Stock Exchange ordinary share price (Euro)	01/01 - 31/12/2021
Maximum (December 28, 2021)	4.16
Minimum (January 4, 2021)	1.83
Average	3.04
Year-end (December 31, 2021)	4.16
Stock market capitalization (at December 31, 2021)	1,367,144,197

Maire Tecnimont 2021 share performance against the FTSE MIB



Maire Tecnimont 2021 share performance against our main competitors.



4. Group operating performance

The Maire Tecnimont Group 2021 key financial highlights (compared to the previous year) are reported below:

(In Euro thousands)	*NOTE (*)*	December 2021	%	December 2020	%	Change	%
Performance indicators:							
Revenues	*27.1-2*	2,864,782		2,630,778		234,004	8.9%
Business Profit (**)	*27.3*	255,724	8.9%	251,538	9.6%	4,186	1.7%
EBITDA (***)	*27.3*	173,732	6.1%	172,218	6.5%	1,514	0.9%
EBIT		129,959	4.5%	123,675	4.7%	6,284	5.1%
Net financial expense	*27.10-11-12*	(16,124)	(0.6%)	(44,861)	(1.7%)	28,737	(64.1%)
Income before tax		113,835	4.0%	78,814	3.0%	35,021	44.4%
Income taxes	*27.13*	(33,364)	(1.2%)	(24,607)	(0.9%)	(8,757)	35.6%
Tax rate		(29.3%)		(31.2%)		N/A	
Net income		80,471	2.8%	54,207	2.1%	26,264	48.5%
Group net income		83,301	2.9%	57,801	2.2%	25,500	44.1%

(*) The notes refer to the paragraphs of the Explanatory Notes to the consolidated financial statements where the respective accounts are analyzed in detail.

(**) "Business Profit" is the industrial margin before the allocation of general and administrative costs and research and development expenses; its percentage of revenues is the Business Margin.

(***) EBITDA is net income for the year before taxes (current and deferred), net financial expenses, gains and losses on the valuation of holdings, amortization and depreciation and provisions. EBITDA is a measure utilized by management to monitor and assess the operating performance. Management consider EBITDA a key parameter in measuring the Group's performance as not impacted by the effects of differing criteria applied to taxable income, the amount and characteristics of the capital utilized and by amortization and depreciation. As EBITDA is not governed by the Group's accounting standards, the Group calculation criteria may not be uniform with those adopted by other groups and, therefore, may not be comparable.

The Maire Tecnimont Group in 2021 reported production volumes of Euro 2,864.8 million, increasing 8.9% on the previous year (Euro 2,630.8 million), which reflected the effects of the COVID-19 pandemic on production.

Revenues reflect the development of portfolio projects and the uneven performance over time, depending upon the scheduling of the individual works, with ongoing growth thanks to the gradual normalization of projects already in portfolio, impacted by the pandemic over the preceding months, and the initial operating phases of the new orders, for which operating activities are planned to return greater volumes over the coming quarters, together with the restart of other more recently awarded projects.

The Group reports a Business Profit of Euro 255.7 million for 2021, up 1.7% on Euro 251.5 million in the previous year, essentially as a consequence of the higher volumes in the year. The consolidated business margin in 2021 was 8.9%, down on the previous year (9.6% in 2020), when the significant positive contribution of the cost-saving initiatives undertaken in response to the COVID-19 pandemic situation kicked in.

General and administrative costs amounted to Euro 72.9 million (Euro 71.3 million in 2020), an increase on the previous year, also following the strengthening of the structure supporting the Green Energy Business Unit and activities in Sub-Saharan Africa. In addition, the comparative figure for 2020 benefited from cost-saving initiatives introduced in response to the pandemic, some of which can not be replicated in subsequent years, while those targeting cost savings through optimizing the structure have become structural and are therefore also evident this year.

The Group, also taking account of R&D costs of approx. Euro 9.1 million in 2021, reports EBITDA of Euro 173.7 million, up 0.9% on the EBITDA in the previous year (Euro 172.2 million) - essentially due to greater volumes in the year. The margin was 6.1% (6.5% at December 31, 2020), in line with the final quarters of 2021 and with the average margin of EPC projects, although reducing on the previous year which included a significant benefit from the cost-saving initiatives launched as a response to the effects of the COVID-19 pandemic.

Amortization, depreciation, write-downs and provisions totaled Euro 43.8 million (Euro 23.6 million related to the depreciation of the right-of-use in accordance with IFRS 16), decreasing on the previous year (Euro 48.5 million), due both to the greater doubtful debt provisions as a consequence of a higher credit balance, with a number of credit positions also affected by the temporary impact of the pandemic on some clients' ratings, in addition to certain write-downs of assets.

As a result of that outlined above, 2021 EBIT was Euro 130 million, increasing 5.1% on the previous year (Euro 123.7 million).

The net financial result shows charges of Euro 16.1 million (net charges of Euro 44.9 million in 2020). The 2021 figure reflects the positive contribution of the net valuation of derivative instruments for Euro 10 million, which however had a negative contribution of Euro 9.5 million in the previous year. This was a result of unfavorable exchange rates and share prices caused by market uncertainty following the pandemic, which therefore resulted in a positive differential of over Euro 19.5 million.

Excluding the above-mentioned effects and charges from investments measured at equity, the financial management result improved significantly, with lower short-term charges on loans, interest on current account overdrafts and also for interest expense on bonds compared to the previous year, with a net reduction of approx. Euro 12.6 million.

Pre-tax income totaled Euro 113.8 million, against estimated taxes of Euro 33.4 million. The effective tax rate was approx. 29.3%, improving on the average tax rate reported for the preceding quarters and based on the various countries in which Group operations are carried out.

Group net income in 2021 amounted to Euro 83.3 million, increasing 44.1% on the previous year (Euro 57.8 million), mainly following the increase in volumes and the benefit from financial management, as outlined above.

Consolidated net income (therefore including minority interests) in 2021 was Euro 80.5 million, compared to Euro 54.2 million in 2020 (+48.5%).

ALTERNATIVE PERFORMANCE INDICATORS

In compliance with CONSOB Communication No. 0092543 of December 3, 2015, indications are provided below in relation to the composition of the performance indicators utilized in this document and in the institutional communications of the Maire Tecnimont Group.

BUSINESS PROFIT is the industrial margin before the allocation of general and administrative costs and research and development expenses and therefore reflects the sum of total revenues, order costs and commercial costs included in the income statement.

BUSINESS MARGIN is the percentage of the BUSINESS PROFIT, as defined above, on total revenues included in the income statement.

EBITDA is net income for the year before taxes (current and deferred), net financial expenses, gains and losses on the valuation of holdings, amortization and depreciation and provisions.

This indicator is also presented in 'percentage' form as a ratio between EBITDA and Total Revenues included in the income statement.

EBITDA is a measure utilized by management to monitor and assess the operating performance. Management consider EBITDA a key parameter in measuring the Group's performance as not impacted by the effects of differing criteria applied to taxable income, the amount and characteristics of the capital utilized and by amortization and depreciation. As EBITDA is not governed by the Group's accounting standards, the Group calculation criteria may not be uniform with those adopted by other groups and, therefore, may not be comparable.

EBIT or Operating Result: is the net income for the year before taxes (current and deferred), net financial expenses, gains and losses on the valuation of holdings.

5. Performance by Business Unit

INTRODUCTION

Maire Tecnimont S.p.A. heads an integrated industrial group providing engineering services and works in the following sectors on the domestic and international markets: Hydrocarbons and Green Energy. The BU figures are in line with the internal reporting structure utilized by company Top Management and in particular with the reporting used by the highest decision-making level for the taking of business decisions, identified as the chief executive officer (CODM). The features of these sectors are outlined below:

I. **“Hydrocarbons” Business Unit** - designs and constructs plant, principally for the “natural gas chain” (involving separation, treatment, liquefaction, transport, storage, regasification and compression and pumping stations); designs and constructs chemical and petrochemical industry plant for the production, in particular, of polyethylene and polypropylene (polyolefin), ethylene oxide, ethylene glycol, purified terephthalic acid ("PTA"), ammonia, urea and fertilizers. Other major activities related to the sulphur recovery process, hydrogen production and high temperature furnaces. It is also engaged in the design and construction of hydro-carbon electric power plant. In the fertilizers sector, the Group grants both proprietary licenses on patented technology and know-how to urea producers and process design packages and sells proprietary fertilizer production equipment.

II. **“Green Energy’ Business Unit**” involved in Green Acceleration initiatives managed by NextChem and its subsidiaries, focused particularly on the circular economy, thanks to an innovative plastics mechanical recycling process and the promotion of recycled chemicals; The Business Unit is also engaged in the “Greening the Brown” (offsetting environmental impacts from the conversion of petrol and gas) and “Green- Green” sectors (developing additives and substitutes to oil for fuels or plastics from renewables). The technologies servicing these initiatives are either part of NextChem's proprietary technology portfolio or are used exclusively through third-party agreements. Finally, the Business Unit also operates in the field of renewable sources (mainly solar and wind power) for large-scale plant and in energy maintenance and upgrading services for large real estate structures, in addition to the management of temporary site facilities by applying particularly effective solutions for environmental protection and energy saving.

The Group assesses the performance of the operating segments based on the segment operating result. Segment revenues are those directly deriving from or attributable to the Segment and from core operations and include revenues from agreements with third parties. Segment costs are charges from segment operations incurred from third parties. For Group operations, amortization, depreciation, provisions for risks, financial income and expense and income taxes are borne by the corporate entity as excluded from operating activities and are presented in the total column.

The Maire Tecnimont Group 2021 key financial highlights by Business Unit (compared to the previous year) are reported below:

(In Euro thousands)	Hydrocarbons		Green Energy		Total	
	Total	% on Revenues	Total	% on Revenues	Total	% on Revenues
2021						
Revenues	2,779,161		85,621		2,864,782	
Business Margin	242,694	8.7%	13,030	15.2%	255,724	8.9%
EBITDA	168,454	6.1%	5,278	6.2%	173,732	6.1%
2020						
Revenues	2,556,469		74,309		2,630,778	
Business Margin	249,763	9.8%	1,775	2.4%	251,538	9.6%
EBITDA	173,359	6.8%	(1,141)	(1.5%)	172,218	6.5%
Change December 2021 vs. 2020						
Revenues	222,692	8.7%	11,312	15.2%	234,004	8.9%
Business Margin	(7,069)	(2.8%)	11,255	634.1%	4,186	1.7%
EBITDA	(4,905)	(2.8%)	6,419	562.6%	1,514	0.9%

HYDROCARBONS BUSINESS UNIT

FY 2021 revenues amounted to Euro 2,779.2 million (Euro 2,556.5 million in FY 2020), up 8.7% on the previous year.

Revenues reflect the development of portfolio projects and the uneven performance over time, depending upon the scheduling of the individual works, with ongoing growth thanks to the gradual normalization of projects already in portfolio, impacted by the pandemic over the preceding months, and the initial operating phases of the new orders, for which operating activities are planned to return greater volumes over the coming quarters, together with the restart of other more recently awarded projects.

In 2021 the Hydrocarbons Business Unit reported a Business Profit of Euro 242.7 million, decreasing on Euro 249.8 million in the previous year. Despite the higher volumes in the year, 2020 benefitted from the significant contribution from the cost-saving initiatives introduced as a response to the COVID-19 pandemic. The 2021 Business Margin was 8.7%, down on the previous year (9.8% in 2020) as a result of the cost-saving initiatives outlined previously.

The Hydrocarbons Business Unit, also taking into account general and administrative and R&D costs, reported EBITDA in 2021 of Euro 168.5 million, down 2.8% on the previous year (Euro 173.4 million), essentially due, as previously highlighted, to the cost-saving initiatives in 2020 and despite the higher volumes in 2021. The margin was 6.1% (6.8% at December 31, 2020), in line with the final quarters of 2021 and with the average for EPC projects.

GREEN ENERGY BUSINESS UNIT

2021 revenues totaled Euro 85.6 million, up 15.2% on the previous year (Euro 74.3 million in 2020), due in part to an increase in the operations of the subsidiary NextChem, which in 2021 further stepped up technological development, thanks to the co-operation agreements signed with a number of Italian and overseas counterparties. The increase in revenues is also due to the restart of some activities in energy efficiency services previously slowed down by the impact of the pandemic.

The 2021 Business Profit was Euro 13 million (Euro 1.8 million in 2020), significantly increasing on the previous year due to higher volumes, as described above, and a differing production mix, with a greater focus on the initiatives of the subsidiary NextChem. In addition, the 2021 Business Margin was 15.2%, up from the 2.4% of 2020.

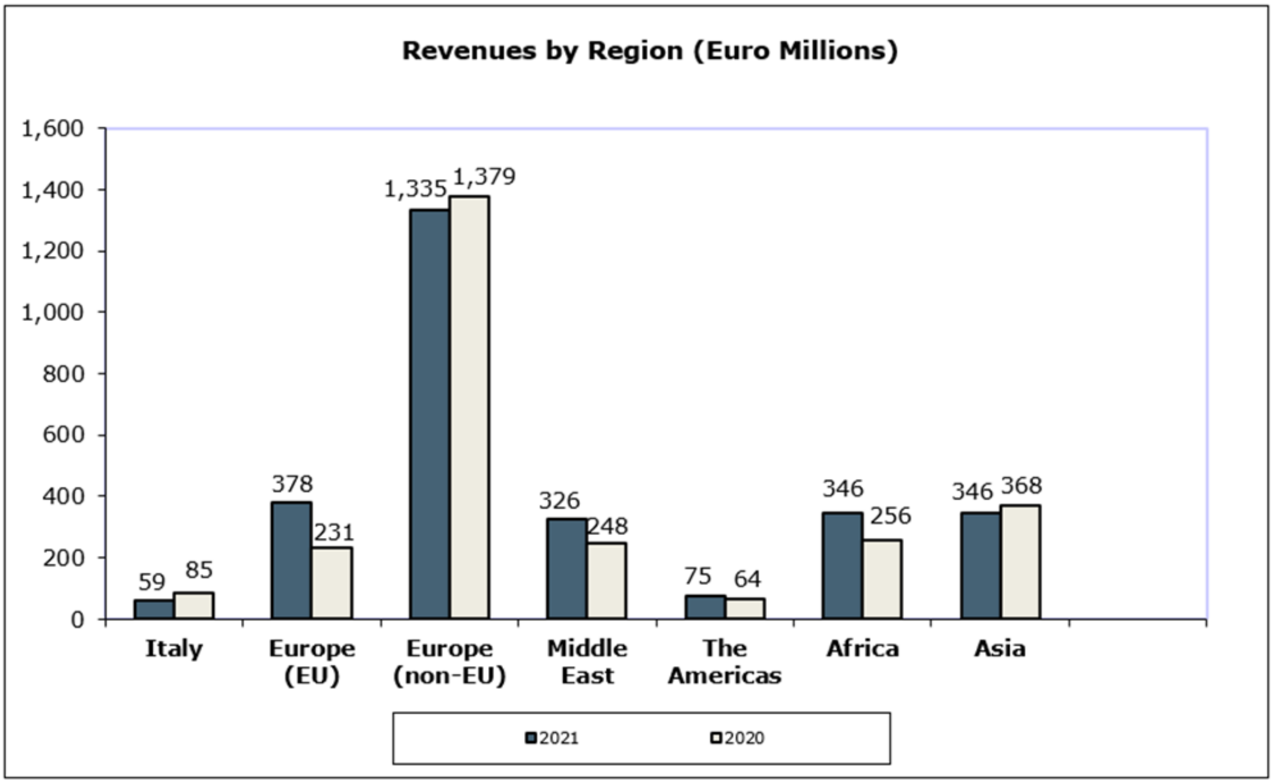
2021 EBITDA was Euro 5.3 million (Euro 1.1 million in 2020), after absorbing G&A costs which increased in the year due to the development of the facilities and the organization of the subsidiary NextChem.

VALUE OF PRODUCTION BY REGION:

The regional breakdown of Revenues in 2021 compared to the previous year is illustrated below:

(In Euro thousands)	December 2021		December 2020		Change	
	Total	%	Total	%	Total	%
Italy	58,595	2.0%	85,181	3.2%	(26,586)	(31.2%)
Overseas						
· Europe (EU)	377,708	13.2%	231,039	8.8%	146,669	63.5%
· Europe (non-EU)	1,335,165	46.6%	1,379,218	52.4%	(44,053)	(3.2%)
· Middle East	326,097	11.4%	247,736	9.4%	78,362	31.6%
· The Americas	74,532	2.6%	63,902	2.4%	10,630	16.6%
· Africa	346,392	12.1%	256,075	9.7%	90,317	35.3%
· Asia	346,293	12.1%	367,793	14.0%	(21,500)	(5.8%)
· Other	0	0.0%	(165)	(0.0%)	165	na
Total Consolidated Revenues	**2,864,782**		**2,630,778**		**234,004**	**8.9%**

The main regional revenue sources were Europe – non-EU (46.6%), which reflects the development of operations in Russia. On the other hand, as can be seen from the table of revenues, there was a recovery in the Middle East and Africa following the launch of new acquisition projects in those areas.



6. Backlog by Business Unit and Region

The following tables outline the Group's Backlog, broken down by Business Unit at December 31, 2021, net of third party shares and compared to the previous year:

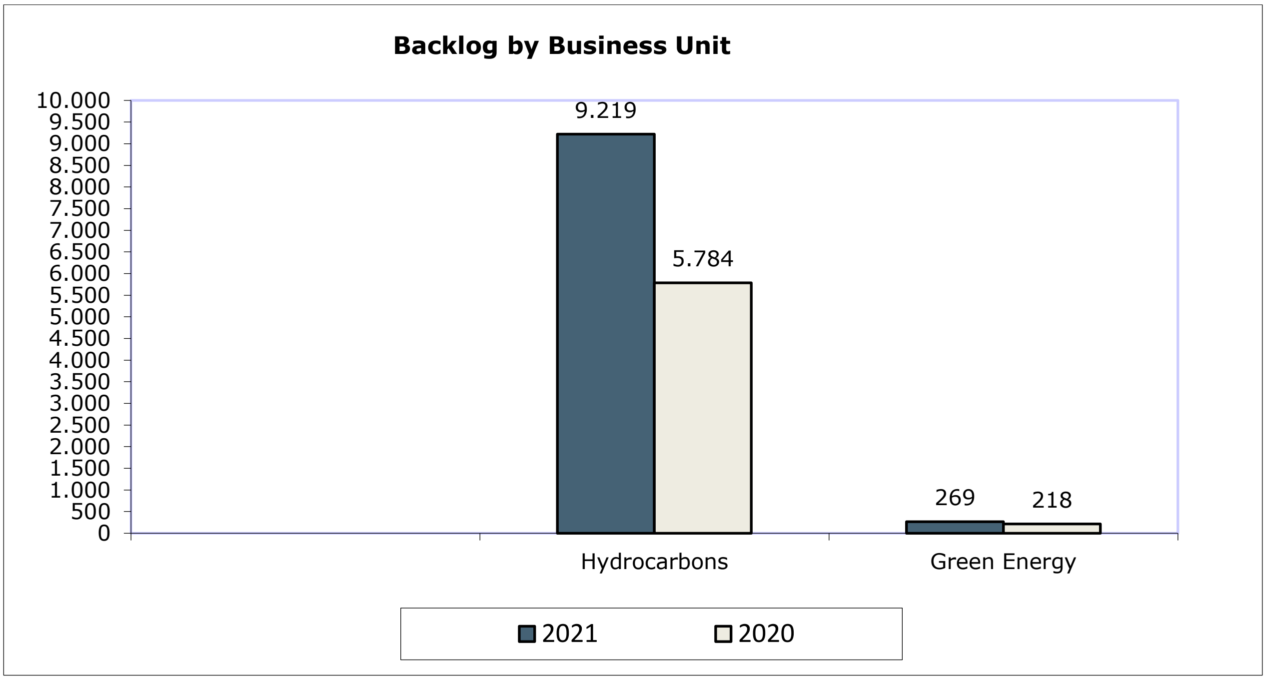
Backlog by Business Unit

(In Euro thousands)	Hydrocarbons	Green Energy	Total
Initial Order Backlog at 01/01/2021	**5,784,382**	**217,508**	**6,001,890**
Adjustments/Eliminations (**)	(113,678)	23,313	(90,365)
2021 Order Intake	6,327,180	105,696	6,432,876
Revenues net of third parties (*)	2,778,997	77,242	2,856,239
Backlog at 31/12/2021	**9,218,887**	**269,275**	**9,488,162**

(*) Backlog revenues are net of third party shares of Euro 8.5 million.

(**) 2021 Adjustment/Eliminations principally reflect portfolio currency adjustments and other minor adjustments.

(In Euro thousands)	Backlog at 31.12.2021	Backlog at 31.12.2020	Change December 2021 vs December 2020	
Hydrocarbons	9,218,887	5,784,382	3,434,505	59.4%
Green Energy	269,275	217,508	51,767	23.8%
Total	**9,488,162**	**6,001,890**	**3,486,272**	**58.1%**



In 2021, the Maire Tecnimont Group won new projects and existing contract extensions worth approx. Euro 6,432.9 million. The Backlog at December 31, 2021 was Euro 9,488.2 million, increasing by approx. Euro 3,486.3 million on December 31, 2020, mainly due to the significant new orders acquired in 2021.

Backlog by Region

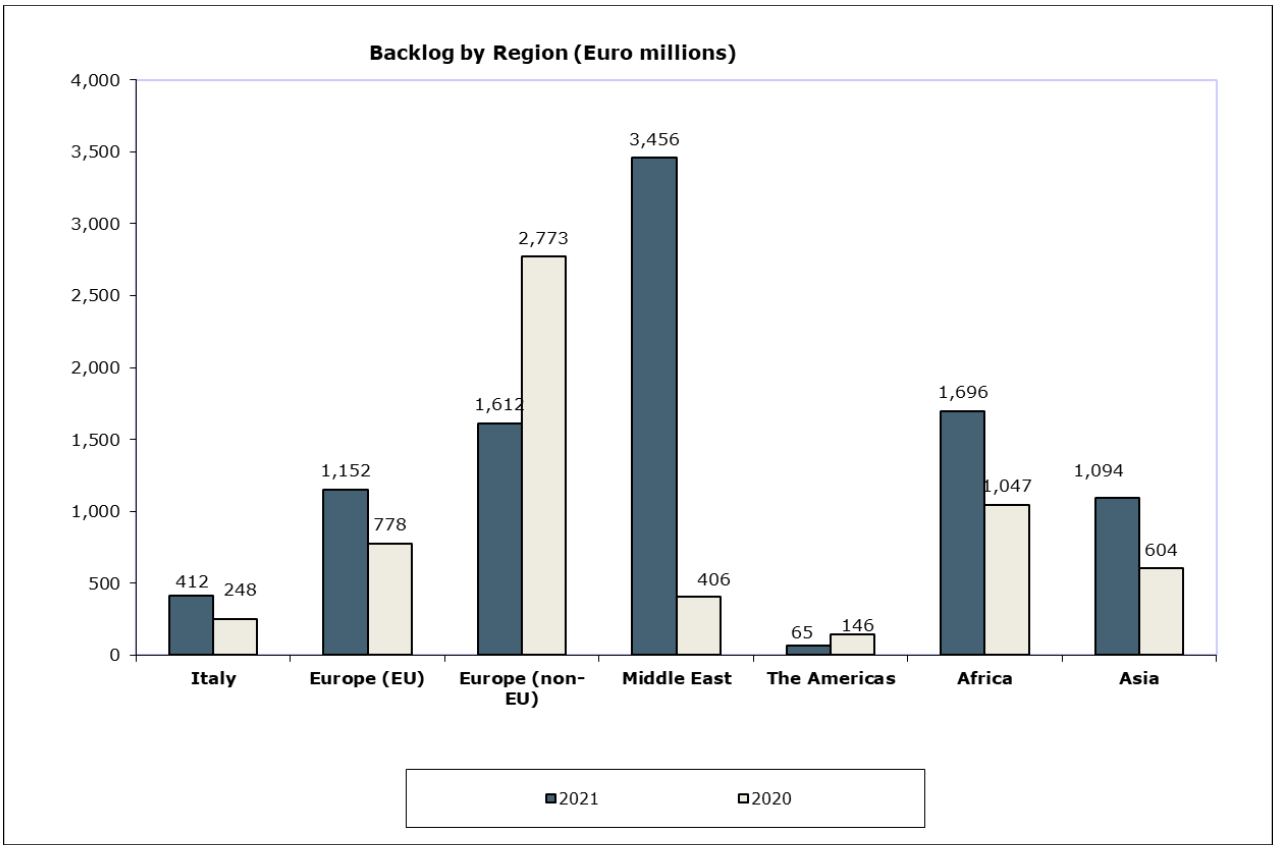
The Group Backlog broken down by region at December 31, 2021, and compared with the previous year is presented below:

(In Euro thousands)	Italy	Overseas							Total
		Europe (EU)	Europe (non-EU)	Middle East	The Americas	Africa	Asia	Other	
Initial Order Backlog at 01/01/2021	**248,412**	**777,500**	**2,772,723**	**405,508**	**146,350**	**1,046,648**	**603,876**	**872**	**6,001,890**
Adjustments/Eliminations (**)	56,962	89,804	55,212	(25,970)	(19,323)	(332,877)	85,827	0	(90,365)
2021 Order Intake	103,281	662,588	172,393	3,402,820	12,218	1,328,529	751,047	0	6,432,876
Revenues net of third parties (*)	(3,158)	377,708	1,388,375	326,097	74,532	346,392	346,293	0	2,856,239
Backlog at 31/12/2021	**411,814**	**1,152,184**	**1,611,953**	**3,456,261**	**64,713**	**1,695,908**	**1,094,457**	**872**	**9,488,162**

(*) Backlog revenues are net of third party shares of Euro 8.5 million.

(**) 2021 Adjustment/Eliminations principally reflect portfolio currency adjustments and other minor adjustments.

(In Euro thousands)	Backlog at 31.12.2021	Backlog at 31.12.2020	Change December 2021 vs December 2020	
Italy	411,814	248,412	163,402	65.8%
Europe (EU)	1,152,184	777,500	374,684	48.2%
Europe (non-EU)	1,611,953	2,772,723	(1,160,770)	(41.9%)
Middle East	3,456,261	405,508	3,050,753	752.3%
The Americas	64,713	146,350	(81,637)	(55.8%)
Africa	1,695,908	1,046,648	649,260	62.0%
Asia	1,094,457	603,876	490,581	81.2%
Others	872	872	0	0
Total	**9,488,162**	**6,001,890**	**3,486,272**	**58.1%**



ORDER INTAKE BY BUSINESS UNIT AND REGION

The table below outlines 2021 Group Order Intake broken down by Business Unit and Region and compared with the previous year:

(In Euro thousands)	December 2021		December 2020		Change 2021 vs 2020	
		% of total		% of total		
Order Intake by Business Unit						
Hydrocarbons	6,327,180	98.4%	2,684,410	98.3%	3,642,770	135.7%
Green Energy	105,696	1.6%	47,157	1.7%	58,539	124.1%
Total	**6,432,876**	**100%**	**2,731,567**	**100%**	**3,701,309**	**135.5%**
Order Intake by Region:						
Italy	103,282	1.6%	44,503	1.6%	58,779	132.1%
Europe (EU)	662,588	10.3%	193,588	7.1%	469,000	242.3%
Europe (non-EU)	172,393	2.7%	1,479,550	54.2%	(1,307,157)	(88.3%)
Middle East	3,402,819	52.9%	216,296	7.9%	3,186,523	1473.2%
The Americas	12,218	0.2%	86,798	3.2%	(74,581)	(85.9%)
Africa	1,328,529	20.7%	353,334	12.9%	975,195	276.0%
Asia	751,047	11.6%	357,497	13.1%	393,550	110.1%
Total	**6,432,876**	**100%**	**2,731,567**	**100%**	**3,701,309**	**135.5%**

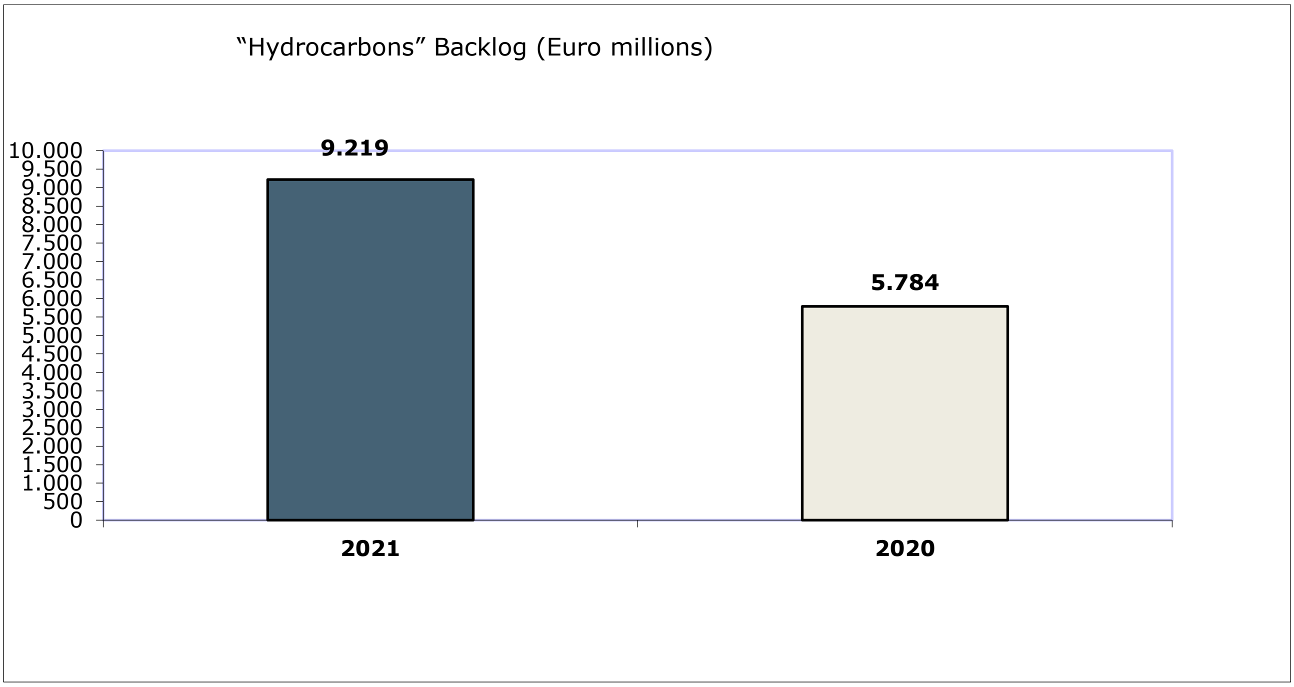
In 2021, the Maire Tecnimont Group won new projects and existing contract extensions worth approx. Euro 6,432.9 million, mainly in the Technology, Engineering & Construction sector, mainly in the Hydrocarbons sector.

New projects for the Green Energy BU mainly concerned new contracts and change orders and project variants in infrastructure, maintenance services and energy efficiency, as well as orders acquired by NextChem, the Maire Tecnimont Group subsidiary operating in green energy and technologies to support the energy transition.

ANALYSIS OF THE 'HYDROCARBONS' BUSINESS UNIT BACKLOG

The Backlog at December 31, 2021 compared with the previous year is as follows:

(In Euro thousands)	Backlog at 31.12.2021	Backlog at 31.12.2020	Change December 2021 vs December 2020	
			Total	%
Hydrocarbons	9,218,887	5,784,382	3,434,505	59.4%



The Hydrocarbons Business Unit backlog at December 31, 2021 was Euro 9,218.9 million, an increase on the previous year of Euro 3,434.5 million, mainly due to the significant order intake in 2021.

PRINCIPAL PROJECTS AWARDED:

SOCAR (Azerbaijan) - February 2021 - Tecnimont S.p.A. and KT - Kinetics Technology S.p.A. signed two Engineering, Procurement and Construction (EPC) contracts with Heydar Aliyev Oil Refinery, a subsidiary of SOCAR, as part of the work to modernize and rebuild the Heydar Aliyev refinery in Baku. SOCAR is the oil authority of the Republic of Azerbaijan. The total value of the contracts value is approx. USD 160 million. The scope of work of the first contract calls for the construction of a hydrotreating unit for the petrol originating from fluid catalytic cracking (FCC), whereas the second includes the implementation of a unit for removing and oxidizing mercaptans present in the LPG (liquid petroleum gas) current and an ammonia treatment and LPG pretreatment unit. These units are fundamental to improving the quality of fuel in accordance with the EURO-5 standards. Both projects were carried out at the Heydar Aliyev refinery, where Tecnimont and KT - Kinetics Technology are jointly executing an EPC contract awarded in 2018. The completion of the new EPC contract projects is expected within 33 and 26 months of the signing date, respectively.

REF PORT HARCOURT (NIGERIA) - April 2021 - Tecnimont S.p.A. was awarded a contract by the Nigerian Federal Executive Council for the execution of refurbishment works on the Port Harcourt Refinery Company Limited refining complex, located at Port Harcourt, in Rivers State, Nigeria. Port Harcourt Refinery Company Limited is a subsidiary of the Nigerian National Petroleum Company (NNPC), the national oil company. The total contract value is approx. USD 1.5 billion. The project involves the engineering, procurement and construction (EPC) for the full refurbishment of the Port Harcourt refining complex in order to recover production capacity to at least 90%. The complex comprises two refineries with an overall capacity of approx. 210,000 bpd (barrels per day). The project will be executed in a number of phases after 24 and 32 months, with the final phase to be completed 44 months from the award date.

AGIC - (SAUDI ARABIA) - April 2021 - Tecnimont S.p.A. and Tecnimont Arabia Limited were awarded by Advanced Global Investment Company (AGIC) a PDH-PP Complex Integrated project for the construction of two propylene units on an Engineering Procurement and Construction Lump Sum Turn-Key basis. The total contract value is approx. USD 500 million. The project covers complete engineering services, out of kingdom equipment and material supply (to be carried out by Tecnimont) and the in kingdom supply of materials, installation and construction up to start-up and guarantee test run activities (carried out by Tecnimont Arabia Limited). Project completion is scheduled for Q2 2024. The two polypropylene units shall have 400,000 tons per year capacity each and will be located at the integrated PDH-PP (propane dehydrogenation - polypropylene) complex in Jubail Industrial City II (Saudi Arabia). AGIC is wholly-owned by Advanced Petrochemical Company, a Saudi Arabian joint-stock company incorporated in 2005 and listed on the Saudi

Arabian Stock Exchange in 2006. It manufactures polypropylene products for a range of sectors, including the automobile, consumable products, healthcare, packaging and textile sectors.

PX IOCL - (India)- April 2021 - the consortium comprising Tecnimont S.p.A. and Tecnimont Private Limited was awarded a Lump Sum EPCC (Engineering, Procurement, Construction and Commissioning) contract by Indian Oil Corporation Limited (IOCL) for the construction of a paraxylene (PX) plant and the relative infrastructure. The plant shall be located in Paradip, in the State of Odisha, in Eastern India. The Amount contract value is approx. USD 450 million. The project includes engineering activities, the provision of equipment and materials and construction until the start-up of the plant and the performance tests. Once completed, the new PX plant shall have an 800,000 ton per year capacity. Mechanical completion is scheduled for 33 months from the award date. The PX product shall be used to feed the adjacent Terephthalic Acid plant, ensuring the availability of high-quality raw materials and thereby significantly boosting the country's manufacturing industry. PX is an intermediate component in the petrochemical industry chain, necessary for the production of several polymers, in particular PET (polyethylene terephthalate, also known as polyester), which is used in numerous applications in everyday life in the packaging, cosmetic and pharmaceutical industries, to name just a few.

IOCL BARAUNI - (India) - July 2021 - the consortium comprising Tecnimont S.p.A. and Tecnimont Private Limited was awarded a Lump Sum EPCC (Engineering, Procurement, Construction and Commissioning) contract by Indian Oil Corporation Limited (IOCL) for the construction of a new polypropylene plant and the related product logistics section. The plant shall be located in Barauni, in the state of Bihar, in north-eastern India. The total contract value is approx. USD 170 million. The project includes engineering activities, the provision of equipment and materials, construction and plant testing, until the performance tests. The polypropylene plant will have a capacity of 200,000 tons per year, and mechanical completion is scheduled for 30 months from the award date. The new polypropylene plant is to be a part of the expansion of IOCL's Barauni refinery, which calls for the installation of new, large-scale production units and the upgrading and modernization of existing units in order to increase capacity. This project to expand the Barauni refinery falls within IOCL's plan to meet growing domestic demand for the high-value products needed in order to accelerate the development of manufacturing in the country.

PP REPSOL - (Portugal) - July 2021 - Tecnimont S.p.A. was awarded a contract by Repsol for the construction of a polypropylene unit and a linear polyethylene unit on an EPC (Engineering Procurement and Construction) Lump Sum Turn-Key basis, as part of the expansion program of Repsol's industrial complex located in Sines, Portugal. The contract value is approx. Euro 430 million. The scope of work includes all engineering services, supply of equipment and materials, installation and construction activities, and, as an optional part of the scope of work, commissioning and start-up activities. The project is scheduled for completion in 2025. The polypropylene and linear polyethylene units, which represent the largest industrial investment in Portugal in the last 10 years, will have a capacity of 300,000 tons per year each and will be located within Repsol's industrial complex in Sines, Portugal. The technologies applied in both units will ensure maximum energy efficiency and will be the first of its kind to be introduced on the Iberian Peninsula, making the Industrial Complex of Sines one of the most advanced in Europe in terms of flexibility and high level integration. Repsol is a Spanish multi-energy company listed on the stock exchange for 25 years. Its products are distributed in nearly 100 countries to some 24 million clients. Repsol's industrial site in Sines is the largest chemical complex in Portugal.

KOS – (Russia) – August 2021 - Tecnimont Planung & Industrieanlagenbau and MT Russia LLC were awarded an EP (Engineering and Procurement) contract from Kazanorgsintez PJSC (KOS) for the execution of a low-density polyethylene (LDPE)/ethylene vinyl acetate (EVA) plant, within the KOS complex, in Kazan, Tatarstan (Russian Federation). KOS is one of the largest producers of polyethylene in the Russian Federation, supplying its products to 36 countries worldwide. The total EP contract value is approx. Euro 130 million. The contract is on a Lump Sum basis for engineering and procurement services, while the equipment and materials supply is on a reimbursable basis. The scope of the project includes the building of a new LDPE/EVA plant with a capacity of 100 thousand tons per year. The project is designed to increase polyolefin production capacity and is expected to be completed within approximately 40 months of the contract signing date. The scope of work in the Russian Federation will be performed by MT Russia at its Moscow engineering center, where Maire Tecnimont Group can count on more than 200 specialists currently involved in the execution of several projects in the Russian Federation. MT Russia is therefore a strategic resource within the Group and boasts a strong reputation as a provider of value-added services to the Russian market. Tecnimont Planung & Industrieanlagenbau, a German subsidiary of Tecnimont, is a Braunschweig-based engineering company highly specialized in LDPE plant design.

LOTOS OIL - HYDROCRACKED BASED OIL Project (HBO) (Poland) - September 2021 - LotosOil sp zoo awarded KT - Kinetics Technology S.p.A. a Lump Sum Turn Key EPCC contract for engineering services, procurement of materials, construction, pre-commissioning and commissioning (up to RFSU) for the creation of an Isodewaxing and Isofinishing unit (licensed by Chevron Lummus Global) for the production of Group II and III oils, with related storage areas and interconnection at the Gdansk Refinery. A Limited Notice to Proceed was signed on September 28, 2021, covering a maximum of the first six months of operations with a contractual value of Euro 15.5 million. The contract became effective on October 18, 2021. The total value of the contract is Euro 213.5 million. The facility is due to reach Mechanical Completion in month 34 (August 17, 2024), ready for start-up status 36 months after the effective date (October 17, 2024), while the Provisional Acceptance Certificate should be issued 40 months after the effective date (February 17, 2025). The Final Acceptance Certificate is due in month 64 (February 17, 2030). The scope of work includes detailed engineering, procurement and delivery of all materials, all construction activities up to the mechanical completion of the plant, supply of spare parts for the commissioning and start-up of the plant, pre-commissioning, commissioning, assistance during start-up (on a reimbursable basis), provision of as-built documentation and of operation and maintenance manuals. Engineering activities had progressed 6.0% at the end of December 2021 and the first bids received for equipment with long delivery lead times (i.e. compressors and air coolers) are being tabulated.

BOROUGE 4 - (United Arab Emirates)- December 2021 **-** Tecnimont S.p.A. signed three EPC contracts with Abu Dhabi Polymers Company (Borouge) relating to the fourth expansion phase (Borouge 4) of the Ruwais polyolefins complex, located 240 km west of Abu Dhabi City (Abu Dhabi, United Arab Emirates). Borouge is a joint venture between Abu Dhabi National Oil Company (ADNOC) - one of the world's biggest oil & gas companies wholly-owned by the Emirate of Abu Dhabi - and Borealis, one of the world's leading providers of advanced and circular polyolefin solutions The total value of the three EPC Lump Sum Turn-Key contracts is approx. USD 3.5 billion. The contracts encompass the execution of three packages of the Borouge 4 project: (1) for the polyolefin units, which includes two polyethylene units with a capacity of 700 thousand tons per year each, and a 1-hexene unit; (2) for a cross-linkable polyethylene unit; and (3) for all utilities and offsites for the entire Borouge 4 project. The scope of work includes all engineering services, supply of equipment and materials, construction activities, testing and start-up assistance. The completion date is scheduled for 2025. Once completed, the Ruwais complex will be the world's largest polyolefin production site. Since the late 1990's, the Maire Tecnimont Group has supported the UAE in creating value by developing its energy processing industry, with the first Borouge polyolefin plant (Borouge 1) completed in 2001. Following 3 additional expansion projects in 2007, 2010 and 2018 (Borouge 2, Borouge 3 and PP5, respectively), the Group completed FEED (Front-End Engineering and Design) services for the Borouge 4 project in 2020. By leveraging its portfolio of NextPlant digital solutions, Maire Tecnimont was able to operate alongside the Borouge team right from the outset of the FEED stages, in this way converting business requirements into digital initiatives ready for immediate implementation into the project. This will ensure maximum efficiency in the execution of EPC activities and improve the operation and maintenance of the new production facilities, thus making Borouge a "future-proof" industrial complex.

BELAYIM PETROLEUM COMPANY (PETROBEL) ZOHR - SUPPLY OF MEG REGENERATION UNIT (MRU) PACKAGES (Egypt) - KT - PETROBEL awarded Kinetics Technology S.p.A. a contract, to be executed on an Lump Sum Turn Key basis, for two MRU Packages (licensed by Axens) consisting of two identical Mono-Ethanol Glycol (MEG) regeneration units, on a modularized basis, and a common Chemical Injection Unit for the first Accelerated Start-Up (ASU) phase at the Port Said refinery in Egypt. The contract became effective on September 9, 2021. The value of the contract is Euro 55.8 million. All modules should be delivered at month 16 (December 20, 2022), while the PAC issue date is expected at month 30 from the effective date (February 8, 2024). The Final Acceptance Certificate is expected at month 54 (February 8, 2026). The scope of work includes detailed engineering, procurement and delivery of all materials, module assembly, including pre-commissioning and delivery to the yard in Egypt, supply of spare parts for commissioning and start-up, supply of capital spares, and provision of operation and maintenance manuals. At the end of December 2021 engineering activities were 38.4% complete, while progress of procurement activity was 2.9%. Overall progress is 4.6%.

In addition to the above contracts, further projects were awarded for licensing, engineering services, EP and EPC activities, plus change orders for contracts in progress. The contracts were awarded by some of the leading international clients, mainly in Europe, the Americas, North Africa and South-East Asia.

PROJECTS IN PROGRESS

GEMLIK GUBRE (Turkey) In March 2020, Tecnimont S.p.A. signed an EPC contract with GEMLİK GÜBRE SANAYİİ ANONİM ŞİRKETİ relating to the construction of a new urea plant and a UAN (urea and ammonia nitrate solution) plant in Gemlik, 125 km south of Istanbul in Turkey. The scope of works concerns the execution of engineering, the supply of all equipment and materials and the construction works. Home Office Services (Detailed Engineering-Procurement services - Subcontracting services) work is 92.6% complete, manufacturing and materials delivery are 57.6% complete, while construction is 17.3% complete. The total progress of the project is 47.2%. The project is expected to be completed within three years of the agreed effective date of September 1, 2020 and the M32 Initial Acceptance Certificate milestone has been set for April 30, 2023.

AMUR AGCC (Russia) In May 2020 it was announced that Tecnimont S.p.A., as the leader of a consortium with MT Russia LLC, Sinopec Engineering Inc. and Sinopec Engineering Group Co., Ltd Russian Branch, was awarded an EPSS (Engineering, Procurement and Site Services) contract by Amur GCC LLC, a subsidiary of PJSC Sibur Holding. The contract concerns the petrochemical development of the Amur Gas Chemical Complex (AGCC). AGCC is the downstream expansion of the Amur gas treatment plant (AGPP) in the city of Svobodny (Amur region), in the far east of the Russian Federation, for which the Maire Tecnimont Group is currently executing one of the packages. Engineering is 73.2% complete (the 3D Model Review is 90% complete), while procurement activities are 62.6% complete (99% of equipment purchased). Mechanical completion is scheduled for September 2024 and plant start-up for March 2025.

IOCL - KOYALI DUMAD (India) - In December 2020, Tecnimont S.p.A., through its Indian subsidiary Tecnimont Private Limited, was awarded a lump-sum Engineering, Procurement, Construction and Commissioning (EPCC) contract by Indian Oil Corporation Limited (IOCL) for the construction of new units to produce acrylic acid and butyl acrylate, petrochemical derivatives needed to produce high-value products for the chemicals market. The units are to be built in Dumand, near Vadodara, in the Indian state of Gujarat. The design and purchase of materials is nearing completion, while the construction of civil and underground works is underway on site. The Mechanical Completion period for the project is 26 months.

KINGISEPP 2 (Russia), the EPC contract was signed with LLC Eurochem Northwest 2 on June 1, 2020, and the Notice to Proceed was received on September 1, 2020. The project calls for engineering, procurement and transport of equipment and materials, as well as the construction, start-up and performance testing, on a lump-sum turnkey basis, of a 3,000 MTPD ammonia plant and a 4,000 MTPD urea plant, plus related infrastructure, to be constructed in Kingisepp, Leningrad Oblast (Russia). Engineering activities are 94% complete. The acquisition of materials is 83% complete, with the assignment of the orders related to the long leads and critical items, as well as the licensed proprietary equipment. Orders for itemized electro-instrumental material are currently being issued, and tenders for the remaining orders for HSE, chemicals, catalysts and laboratory equipment are at an advanced stage. As for bulk materials, the issue of orders for assembly of metal structural works is complete, and orders relating to the completion of Material Take Off Piping, electrical equipment and accompanying structural elements are currently being issued. Manufacturing is underway, with progress at 73%. Shipments of materials to the worksite are on pace with batch deliveries of piping, metal structures, electro-instrumental bulk and mechanical equipment. Construction began in late 2020 and is 16% complete. Specifically, civil works are progressing, with piling completed, foundations and elevations at advanced stages, and underground work ongoing. Assembly of metal structural works is underway, as are piping prefabrication activities in the workshop. The Project is 55% complete overall. Mechanical completion of the works is expected by May 2023, and performance testing is expected by August 2023, followed by a 24-month warranty period.

BIR SEBA (Algeria) June 2020, Tecnimont S.p.A. was awarded an EPC contract for the completion of the "Bir Seba Phase II and Mouiat Outlad Messaoud Field Development" project in Algeria by Groupement Bir Seba. Groupement Bir Seba comprises the state agency Sonatrach, Petrovietnam Exploration Production Corporation and PTT Exploration & Production Algeria, a subsidiary of the Thai national oil company PTTEP. The project will be executed at the oil fields in the Touggourt area, approx. 130km north-east of Hassi Messaoud. The contract value is approx. USD 400 million. The scope of work includes all Engineering, Procurement and Construction activities. The Project involves the expansion of the existing oil treatment plant by installing a new separation unit, to double the current capacity to 40,000 barrels of oil equivalent per day. The project also includes the installation of gas lift and water injection systems, the installation of 2 additional collection facilities and more than 400 km of hydrocarbon transport pipelines to connect the production wells to the treatment plant. The project is expected to be completed 40 months after the contract's date of entry into force.

ANWIL (Poland) acquired in June 2019 by the client ANWIL. The scope of contractual works, on a Lump Sum Turn Key basis, includes Engineering, Procurement, Construction, Precommissioning, Commissioning and Start Up for the building of a new granulation plant at the industrial complex located in Wloclawek in Poland. Engineering and Home Office Services activities are 100% complete, with procurement 99.1% complete, while construction is 63.5% complete. The project is 84.9% complete overall. The plant is scheduled for completion (take over) in February 2023.

KALLO (Belgium) acquired in March 2019 by the client BOREALIS. The scope of project works includes the supply of Project Management Services, Detail Engineering, Procurement, Construction Management, Pre-commissioning and assistance for the Commissioning and Start-Up activities for a new propane dehydrogenation (PDH) plant to be located at the existing Borealis production site in Kallo, Belgium. Engineering activities are 99.8% complete, with Procurement Services activities at 99.8%, while construction is 35.4% complete. The project is 71.8% complete overall. The mechanical completion of works is contractually established for April 2022, with the plant start-up in August 2022 and issue of the Final Acceptance Certificate within 33 months from January 2022. The project-completion dates are being revised together with BOREALIS due to the impact of COVID-19 and accumulated Vendor and Contractor delays at the site.

VOLGAFERT (Russia), an EPC contract for the construction of a Granulated urea plant at the Kuibyshevazot industrial complex (in Togliatti, in the region of Samara, Russia). The client is Volgafert LLC, a special-purpose company owned by Kuibyshevazot, a leading producer of fertilizers and caprolactam, and METDEV1 S.r.l. (with a minority interest), a Maire Tecnimont Group company in which an interest is held by Simest S.p.A. (part of the CDP Group, which supports the international investments of Italian companies). The scope of the project includes the provision of engineering services, equipment and materials and construction until inspection, start-up and the performance tests, for a granulated urea facility with a capacity of 540,000 tons a year. Home office activities are 99.9% complete, with manufacturing and delivery at 99.9%, while construction and pre-commissioning are 86.0% complete. The project is 92.0% complete overall. Project completion is scheduled for the second quarter of 2022.

SOCAR (Azerbaijan), in February 2018, Tecnimont S.p.A. and KT–Kinetics Technology S.p.A. were awarded by the client SOCAR (State Oil Company of Azerbaijan Republic) Heydar Aliyev Baku Oil Refinery, an EPC (Engineering, Procurement, Construction) Lump Sum contract concerning a significant portion of the works for the modernization and reconstruction of the Heydar Aliyev refinery in Baku (Azerbaijan). Home office activities are 99.9% complete, with manufacturing and delivery of materials at 99.7% and construction and pre-commissioning activities are at 89.2%. Commissioning activities are 4.5% complete. The project is 95.7% complete overall. The Provisional Acceptance Certificate (PAC) is expected by December 31, 2022, in accordance with the Settlement and Amendment Deed signed on December 11, 2020.

JSC Gazprom Neft - OMSK (Russia) February 2018, Tecnimont S.p.A. and its subsidiary MT Russia LLC (previously Tecnimont Russia LLC) were awarded by JSC Gazprom Neft – Omsk Refinery an EPCm (Engineering, Procurement, and Construction management) contract for the execution of the “Delayed Coking Unit” (DCU) project at the Omsk Refinery in the Russian Federation. The contract covers Engineering and Procurement on a Lump Sum basis and Construction Management services on a reimbursable basis. Activities related to the EP contract are substantially complete (99.87%), except for issue of the As Built documentation and delivery of the remaining bulk material inventories related to commissioning. Construction (which is outside Tecnimont’s scope of work) is 95.6% complete and the Mechanical Completion Milestone will be achieved imminently. Commissioning is underway, with progress currently at 65.3%. The project is currently scheduled for completion by the first quarter of 2022 (RFSU). Closure of the contract is currently being reviewed with the client, both with regard to the construction management services (completion expected in mid-2022, including start-up support services) and the Final Settlement between the parties.

JGSPC – **(Philippines)**, March 2018, Tecnimont S.p.A. and its subsidiary Tecnimont Philippines Inc. were awarded, as part of a joint venture with JGC Philippines (Tecnimont Philippines 65% - JGC Philippines 35%), a Lump Sum EPC contract by JG Summit Petrochemical Corporation (JGSPC). The project involves the construction of a new high-density polyethylene unit (HDPE) and the extension of a polypropylene (PP) unit. The units will be located 120 km from Manila, in Batangas City (Philippines). Engineering is 100% complete, with material procurement at 100%, while construction is 96.6% complete. The total advancement of the project is 98.8%. “Ready for Commissioning” is expected by May 2022.

BOROUGE PP5 (United Arab Emirates), acquired in July 2018 from the client Abu Dhabi Polymer Company (Borouge). The scope of the project consists of EPCC (engineering, procurement, construction and commissioning) activities for a new polypropylene unit (PP5 project) in Ruwais (Abu Dhabi), United Arab Emirates. Works are substantially complete (home office, manufacturing & delivery, construction and pre-commissioning/commissioning are 100% advanced). Tecnimont is still present on site to provide client assistance for plant start-up (expected by the end of February).

HMEL (India), acquired in August 2018 in a consortium between Tecnimont S.p.A. and its Indian affiliate Tecnimont Private Limited, from the client HMEL, a JV between HPCL (Hindustan Petroleum Corporation Limited) and Mittal Energy Investment Pte Ltd. The contracts in question are two EPCC (engineering, procurement, construction and commissioning) contracts for the construction of a new high-density polyethylene (HDPE) unit and a new polypropylene (PP) unit. The units are installed in Bathinda, northern India. Both have reached substantial mechanical completion. Engineering activities for the HDPE plant are 100% complete, as are the home-office services for material procurement (manufacturing and delivery at 100%), while construction is 100% complete. The project is 98% complete and ready for final commissioning. Engineering activities for the PP plant are 100% complete, as are the home-office services for material procurement (manufacturing and delivery at 100%), while construction is 100% complete. The project is 98% complete and ready for final commissioning. Following client-induced delays in providing utilities for mechanical completion and feedstock, the commissioning phase and subsequent start-up are scheduled for H2 2022, with performance testing within 12 months of mechanical completion (or 42 months from the contract award date), followed by a mechanical warranty of 12 months.

ZCINA - SONATRACH (Algeria), acquired in November 2018 from the client Sonatrach, involves the construction of a fourth LPG production train with a capacity of 8 MMS m^3/day. The fourth train will be located within an existing facility in the Hassi Messaoud area, approximately 900 km to the south of Algiers. The project was acquired on a lump-sum basis and includes engineering services, material procurement, construction and commissioning. Engineering was completed in May 2021, procurement in October 2021 and material transport in December 2021. Construction is still underway and is 78% complete. Specifically, on-site activities continue with the completion of civil works (97%), the installation of metal structural works (99%), the installation of equipment (92%), the installation of piping (79%) and the installation of electro-instrumental works (66% and 29% complete respectively). Construction on the electrical substation is complete. The Provisional Acceptance Certificate (PAC) is expected to be awarded by August 2022.

EXXON MOBIL - BAYTOWN (USA), acquired in January 2018 by Tecnimont US in a consortium with the US construction partner Performance Contractors Inc. The contract, on a reimbursable basis, was awarded by Exxon Mobil. The project involves the construction of two units (an SPU - Solution Polymer Unit and an LAU - Liquid Alpha-olefin Unit) in Baytown (Houston, TX, USA). In April 2019, the project, which began as a FEED contract, was converted into an EPC (engineering, procurement and construction) contract in which Tecnimont USA is responsible for the EP component only. In mid-2020, Exxon announced the temporary, gradual slowdown of construction before suspending all activities at the beginning of 2021, placing them in a condition known as "safe parking" and permitting only essential activities deemed necessary to protect completed works. As for EP, engineering was essentially complete in Q3 2020, while procurement and post-order activities, including delivery of previously procured materials and equipment, were substantially completed in Q4 2021. Also in Q4 2021, the project finally recommenced at full capacity and construction is currently scheduled to be completed by mid-2023.

AMUR (Russia) Tecnimont S.p.A., as majority leader of the consortium including MT Russia LLC (previously Tecnimont Russia LLC), the Chinese company Sinopec Engineering Group (SEG) and its subsidiary Sinopec Ningbo Engineering Corp., signed in June 2017 a contract with JSC NIPIgaspererabotka (NIPIGas), a general contractor of Gazprompererabotka Blagoveshchensk LLC, part of the Gazprom Group. Once completed, GPP Amur will be one of the largest gas treatment plants in the world, with a natural gas treatment capacity of 42 billion cubic meters per year and constituting a fundamental element of Gazprom's strategic plan for the supply of natural gas to China. The contract concerns the execution of package No.3 for the Amursky (AGPP) gas treatment plant, comprising the utilities, off sites and plant infrastructure, which is being constructed close to the city of Svobodny, in the Amur district. The scope of the work assigned to Tecnimont S.p.A. and MT Russia includes engineering, procurement, construction, commissioning and performance test activities for the completion of utilities, offsites and infrastructure for the Amur GPP project. At the end of 2020, an agreement was signed with JSC NIPIgazperabotka establishing an additional sum in order to accelerate the work needed to mitigate the impact of the COVID-19 pandemic. This additional sum was set at approximately Euro 500 million. Engineering is 100% complete, with material procurement at 99.8%, while construction is 86.1% complete. The project is 91.5% complete overall. Project completion is scheduled for the end of 2023.

HDPE MALAYSIA – PETRONAS (Malaysia), in November 2016 the Tecnimont Group was awarded - as part of a joint venture with China HuanQiuContracting & Engineering Corporation L.td. - (HQC) an EPCC Lump Sum Turn Key project for the construction of a high density polypropylene unit for the RAPID (Refinery and Petrochemical Integrated Development) complex by PRPC Polymers Sdn Bhd (PRPC Polymers) - ("PETRONAS") Group. The HDPE unit, based on the Hostalen Advance Cascade Process (HACP) technology of Lyondel Basell, will have a capacity of 400 tons/year and will be constructed at the RAPID complex, located in Pengerang, South-Eastern Johor, Malaysia. The project includes engineering services, the provision of equipment and materials and construction until the start-up of the plant and the performance tests. EPCC activities were concluded with the formal acquisition of the Ready for Start-Up (RFSU) certification in December 2020. Because the Client has not made the feedstock available, the plant is currently in storage, and the start-up and performance-demonstration phases to obtain the Provisional Acceptance Certificate (PAC) for the plant are expected to be completed in the third quarter of 2022, assuming that the client provides the feedstock in the second quarter of 2022. Provisional acceptance of the facility (PAC) will be followed by a warranty period that will expire at the end of December 2022, after which the final acceptance certificate (FAC) will be issued.

PP MALAYSIA – PETRONAS (Malaysia), in November 2015 the Tecnimont Group was awarded - as part of a joint venture with China Huan Qiu Contracting & Engineering Corporation L.td. - (HQC) an EPCC Lump Sum TurnKey project for the construction of two polypropylene units for the RAPID (Refinery and Petrochemical Integrated Development) complex and for PRPC Polymers Sdn Bhd (PRPC Polymers) - Group ("PETRONAS"). The two units will be constructed at the RAPID complex, located in Pen Gerang in South-East Johor, Malaysia. The project includes engineering services, the provision of equipment and materials and construction until the start-up of the plant and the performance tests. EPCC activities were concluded with the formal acquisition of the Ready for Start Up (RFSU) certification for the two units (March '19 for the first and June '19 for the second). Due to the client's lack of feedstocks for extended periods, the start-up and performance demonstration phase is being protracted beyond all expectations: to date, all three performance test runs (PTRs) for the first unit have been completed with fully successful results, and both units are currently in storage. The testing needed in order to obtain the Provisional Acceptance Certificate (PAC) for the plant is expected to be completed in the third quarter of 2022, assuming that the client provides the feedstock in the second quarter of 2022. Provisional acceptance of the facility (PAC) will be followed by a warranty period that will expire at the end of December 2022, after which the final acceptance certificate (FAC) will be issued.

OMAN OIL REFINERIES and PETROLEUM INDUSTRIES COMPANY - SAOC (ORPIC) (Oman), for the construction of 2 polyethylene plant and a polypropylene plant, in addition to the associate utilities. The contract relates to one of the four packages comprising the Liwa Plastic Complex (LPIC) Project. The units will be located in the Sohar Industrial Port Area. The project, announced in December 2015, received Notice-to-Proceed on May 4, 2016 and has a duration of 44 months. The project includes engineering services, the provision of equipment and materials and construction until testing, start-up and the performance tests. Project activities are complete. Contractual handover of the plant downstream of the Performance Tests originally scheduled for January 4, 2020 has been delayed due to the client's inability before 2021 to provide sufficient feedstock to operate the various units simultaneously. Performance testing was completed in H1 2021 and the Initial Acceptance Certificate for the entire facility was issued by the client on July 29, 2021. The contractual warranty period expired on December 31, 2021, except as regards certain equipment for which the period will be extended.

SOCAR POLYMER HDPE (Azerbaijan) In December 2015 Tecnimont S.p.A. and KT – Kinetics Technology S.p.A. agreed with SOCAR POLYMER a lump sum EPC 120 kTpY polyethylene plant construction contract in Sumgayit (30 KM north of Baku). This contract follows the order awarded in April 2015 by the same client Socar Polymer. The project includes engineering services, the provision of equipment and materials and construction until the start-up of the plant and the performance tests. Home office services have been completed, as has procurement/manufacturing (with the exception of the shipping of a small quantity of materials for replacements under warranty) and construction is complete. Performance tests were carried out, a PAC was issued on June 12, 2020 and an FAC was received on June 5, 2021. Closure of the remaining punch points and warranty defects is currently underway. The ordinary warranty period came to an end on June 12, 2021, whereas the extended warranty remains in effect for the equipment and materials that underwent changes during the warranty period.

SOCAR POLYMER PP (Azerbaijan) In April 2015 Tecnimont S.p.A. and KT – Kinetics Technology S.p.A. agreed with SOCAR POLYMER a lump sum EPC 180 kTpY polypropylene plant construction contract in Sumgayit (30 KM north of Baku). The project includes engineering services, the provision of equipment and materials and construction until the start-up of the plant and the performance tests. Home office services, procurement, manufacturing and construction are complete. The start-up and performance tests have been completed. The PAC was delivered on July 31, 2019. Final Acceptance was issued on October 20, 2020. Since the warranty period had expired, the warranty bonds were returned to Tecnimont.

ADGAS (United Arab Emirates) On February 3, 2015, Tecnimont S.p.A., in consortium with the company Archirodon, received from the Client ABU DHABI GAS LIQUEFACTION COMPANY LTD (ADGAS) the "Letter of Award", followed on March 12, 2015 by the signing of the Signature Agreement, for construction of the Package 1 IGD Expansion Project in Abu DhabiDasIsland, United Arab Emirates. The project involves EPC operations until the Performance Tests for the expansion of the existing plant on the island. Tecnimont's role principally centers on expansion of the gas drying plant with the installation of an additional unit and related structures, while Archirodon will be involved in the preparation of the site with backfill and civil works and sea works along the western coast of Das Island for the above-stated expansion, including further preparation works upon the site with backfill for the IGD-E2 package (upcoming plant expansion project). The overall advancement of the project is 100%. The consortium Partner Archirodon has completed its works. Once the PAC had been issued and the end of the warranty period had been reached, the points raised during the warranty period were resolved with the exception of one point relating to painting, which is being negotiated with the client, together with the closure of the contract. Negotiations are in their final stages.

ADCO (United Arab Emirates) On December 11, 2014 Tecnimont S.p.A. signed an EPC contract with Abu Dhabi Company for Onshore Oil Operations (ADCO) for construction of phase III of the Al Dabb'iya Surface Facilities project in Abu Dhabi, UAE. The project involves EPC operations until the Performance Tests for the expansion of the existing plant - including in particular: the collection of crude oil through a pipeline network; a Central Process Plant (CPP); the relative oil and associated gas export pipeline. Engineering, procurement and construction have been completed, together with the test run. The provisional acceptance certificate (PAC) has been received and the facility has entered the warranty period, which ended in September 2020. In the second half of 2021, the points under warranty were discussed during negotiations with the client to definitively close the contract.

Punta Catalina (Santo Domingo) In November 2013 Tecnimont S.p.A. - in consortium with Construtora Norberto Odebrecht S.A. and Ingenieria Estrella S.R.L. - was awarded the construction of a strategically important industrial complex for the country's development (a coal fired thermal power plant, an offshore terminal and other related structures). The client is CDEEE, the Dominican Republic national electricity company. The project involves the construction of two coal fired 360 MW plant in Punta Catalina, Dominican Republic. The EPC contract was signed in April 2014, with effective date set retroactively as February 7, 2014. Tecnimont will undertake all engineering works (except for the offshore marine and transmission line works), the procurement of the power island equipment and commissioning and delivery of the plant with the relative acceptance tests. The start-up of the first unit, with synchronization with the national electrical grid of the Dominican Republic, was achieved on February 27, 2019. The start-up of the second unit took place on September 29, 2019. The PAC for the first unit was received on October 4, 2019, while the PAC for the second unit was received on April 24, 2020. Simultaneously to the PAC for the second unit, the delivery process for the Punta Catalina power plant to the Client was completed, which from this date assumed full responsibility for the operation and maintenance and the relative care and custody of the plant. On October 4, 2020, following the 12-month warranty period of the first unit, the consortium notified the client of having met the conditions for issuing the Final Acceptance Certificate (FAC). The 12-month warranty period for the second unit ended on April 24, 2021, and the Consortium submitted a request for the second and final FAC. Negotiations with the client to definitively end the project are ongoing.

KIMA (Egypt) The Lump Sum Turn Key contract was acquired on October 30, 2011 from Egyptian Chemical & Fertilizers Industries – KIMA, an Egyptian chemical sector group. The contract involves the construction of a new fertilizer complex for the production of ammonium with a capacity of 1,200 tons per day, and of Urea with a production capacity of 1,575 tons per day and relative services. The plant is installed within the existing industrial district in the Assuan region (Northern Egypt). Due to the current political/social situation in Egypt, client operations have slowed significantly for the sourcing of funding for the initiative. The situation was successfully resolved at the end of 2015 with the finalization of credit lines by the client and an increase in Tecnimont's contractual value. In January 2016, recommencement of the project was declared. Construction concluded in 2019 and commissioning was underway in 2020. The plant performance test was successfully completed on March 22, 2020, and the PAC was signed on April 26, 2020. On that same date, the 12-month warranty period began, after which the Final Acceptance Certificate (FAC) will be issued. In September 2020, the CO2 compressor (20-K102) was tripped, after which the plant gradually shut down. A specialized third-party company investigated the root cause, which was identified and attributed to a vendor, in light of which negotiations are ongoing with the client. These have led to a general consensus regarding the contents of the Settlement Agreement for the definitive completion of the contract and the insurance process.

LDPE NOVY URENGOY (Russia) - acquired in May 2010 from the Operator C.S. Construction Solution (UK) Limited with End Client Novy Urengoy GCC (Gas and Chemical Complex). The contract concerns the provision of materials and assistance by TCM personnel. 27 orders were issued. The contract is currently suspended and instructions from the client are awaited for the re-uptake and continuance of the works.

TOTAL RAFFINAGE CHEMIE – HORIZON Project – ISBL Package (France). On March 30, 2020, KT - Kinetics Technology S.p.A. acquired the contract for the EPCC lump sum basis supply of the following units: Vacuum Gasoil Hydro-Treatment Unit (licensed by Axens), Sour Water Stripper, Utilities/Auxiliaries, Technical Buildings, at the Donges refinery in France. The effective date is preceded by an Early Works phase lasting 3 months. The contract value is Euro 179.168 million, plus Euro 1.5 million from the early works phase and the sum of Euro 0.7 million for the currently approved change orders. The main contractual dates are the following: all systems commissioned within 36 months of the ED, completion of all works within 38 months of the ED and PAC at the latest 12 months from the completion certificate. The scope of the work involves: detailed engineering; procurement and delivery of all materials, including compressors already negotiated by the client; all construction activities (total site preparation up to RFSU; supply of spare parts for putting into service and start-up of the plant; commissioning; assistance during start-up (on a refundable basis); supply of as-built documentation; supply of maintenance and operating manuals; training of plant operating personnel. Engineering was 96.1% complete by the end of December 2021, procurement and construction were 73.4% and 9.3% complete respectively, while overall progress is at 49.9%. Material acquisition is nearly complete, except for some bulk material orders following the latest MTOs. TCF and pile activities are complete, while civil works, erection of metal structures and of the first units, and in-shop prefabrication of piping are ongoing. The electro-instrumental contract will be finalized shortly. The milestone of crossing the railway (which involved blocking the TGV temporarily) to allow the reactors to be transported was successfully achieved on schedule.

ICA FLUOR DANIEL – NO. 3 DCU FURNACES FOR DOS BOCAS REFINERY (Mexico). On November 20, 2020, KT - Kinetics Technology S.p.A. received the contract for the EP portion of 3 delayed coker furnaces (BA-31001/02/03) designed by Bechtel to be installed at the Dos Bocas Refinery in Mexico. This contract was preceded by early engineering works, and the amount of the new contract is Euro 54.5 million. Contract delivery is CIF Dos Bocas within 17 months of the effective date. Engineering and procurement work is nearing completion, with progress at the end of December 2021 standing at 97.1% and 83.5%, respectively. Overall project progress at the end of December 2021 was 83.9%.

INA-INDUSTRIJA NAFTE - RIJEKA REFINERY UPGRADE PROJECT (RRUP) (Croatia). On January 4, 2020 KT - Kinetics Technology S.p.A. was awarded an EPC contract on a Lump Sum Turnkey basis by INA-Industrija Nafte, d.d. (INA) for a new Delayed Coking complex at the Rijeka refinery in Croatia as part of a modernization project for the refinery itself. The contract provides for the supply of the following units on an LSTK basis: 1. A first batch, defined as Greenfield Work: Delayer Coker Unit (Unit 384 - DCU), Amine Regeneration Unit (Unit 387 - ARU), Sour water stripper Unit (Unit 388 - SWS) and Coke Port with Handling & Storage System; 2. A second lot, defined as Brownfield Work: DCU area preparation, including ground movement and relocation; Sulphur Recovery Unit 2nd Train (Unit 379 - SRU); Hydrocracker Unit Revamping (Unit 376 - HCU); DCU Outside Battery Limit (OSBL). The scope of the work involves: Detailed engineering; Procurement and delivery of all materials; Inspection; All construction activities including site preparation (removal of existing underground and above ground material, geotechnical analysis and topographic survey); All construction activities up to the Ready for Start up phase; Supply of spare parts for putting into service and start-up of the plant; Reaching "Ready for start-up" status; Assistance during the plant start-up phase (on a reimbursable basis); Supply of documentation as built; Supply of maintenance and operating manuals; Training of plant operating personnel. The contract value is Euro 449.9 million, plus Euro 1.0 million for the currently approved change orders. The MC and RFSU are contractually defined as 38 and 41 months respectively from the contract’s entry into force. At December 31, 2021, engineering and procurement activities were 91.5% and 62.7% complete respectively, and construction progress stands at 11.6%. Overall progress for the project is 35.2%.

MIDOR REFINERY EXPANSION (Egypt), KT–Kinetics Technology S.p.A. was awarded by Technip Italy, an EP works project for the expansion of the Middle East Oil Refinery (MIDOR), in Alexandria, Egypt. The expansion is aimed at increasing the refinery’s capacity from 100,000 to 160,000 BPSD, together with product quality (Euro 5). KT has been identified as a subcontractor for some units of this project (lump-sum EPC awarded to Technip Italy for a value of USD 1.7 billion). KT's share is Euro 67.6 million, plus Euro 0.6 million for approved change orders. The terms of delivery are within 22 months of the Effective Date, whereas the term of the entire contract (Expanded Plant) is 42 months from February 21, 2019, to be considered the Effective Date of the Supply Contract between MIDOR and TPI. Overall progress at the end of December 2021 was 99.5%. As required under the contract, KT is present on site to provide assistance to the construction contractor for local Engineering, Procurement, Erection, Pre-Commissioning, Mechanical Completion and Ready for Commissioning, Commissioning, Start-Up, Initial Operation and Performance Test, up to Provisional Acceptance of the plant.

FCC REVAMPING – LUKOIL- BURGAS (Bulgaria), KT– Kinetics Technology S.p.A. has received an order from LUKOIL NEFTOHIM BURGAS for the supply of revamping of the FCC unit licensed from UOP on an LSTK (EP) basis. The project has particular commercial significance as a fundamental step to obtaining a competitive advantage in the award of the revamping of the polypropylene plant at that same petrochemical complex. The scope of the work involves: Engineering, consisting in process design on the FCC unit and detailed engineering design; Supply of equipment and bulk materials; Construction, consisting in the dismantling of process equipment to be replaced; and Installation and connection of the new equipment and addition of the necessary equipment. The initial contract value is Euro 41 million, plus Euro 2.5 million for the currently approved change orders. Overall progress for the project at the end of December 2021 was 99.4%. Activities scheduled during the refinery shutdown, which was moved at the request of the client from the original date of March 1, 2021, have been completed. Some COs are under discussion for additional purposes.

LUANDA REFINERY GASOLINE (Angola), KT–Kinetics Technology S.p.A. and Eni Angola Exploration B.V. signed a contract for an LSTK (EPC) project to modernize the refinery in Angola. The units governed by the contract are: New Naphtha Hydrotreating (NHDT) unit; New Naphtha Splitter; and New Platforming Unit. The contractor's full scope of work primarily includes: (Basic Design; detail engineering; procurement and delivery of all process equipment and bulk materials; supply of first-filling of chemicals; supply of first-filling of catalysts for the NHDT unit; all construction activities up to mechanical completion of the facility; and pre-commissioning). The initial contract value is approximately USD 211.5 million, plus USD 7.5 million for currently approved change orders. The facility must be ready for commissioning in 26 months. Engineering and procurement are complete, while construction progress stood at 71.9% at year end 2021. Overall progress is 84.5%. A contract amendment relating to several change orders for the extension of the original scope requested by the client is currently being finalized.

LUKOIL – Nizhegorodnefteorgsintez (Russia) October 2017 KT – Kinetics Technology S.p.A received two orders from OOO LUKOIL NIZHEGORODNEFTEORGSINTEZ. The first for the Detailed Engineering of the HDT and HPU units including Hazop, Sil, 3D Model, supply of Long Lead Items and transport and customs clearance. The contractual value is Euro 105 million. The second for the engineering and supply of Long Lead Items (LLI), on a lump sum basis, for two Sulphur Recovery and HC Gas Fractionation units. The scope of works involves the Detailed Engineering of the SRU and GFU units including Hazop, Sil, 3D Model, supply of Long Lead Items (transport and customs clearance included). The contractual value is Euro 28 million. Both projects shall be executed at the Kstovo refinery in Russia. On July 20, 2018, Lukoil signed a contractual amendment concerning the supply of materials and construction activities. With this amendment, the overall contractual value totals approx. Euro 449 million. A further amendment was then finalized concerning the release of the contractual option for catalysts and chemicals. The total value of the two projects is Euro 15.9 million, and a change order relating to commissioning and start-up was also finalized for a value of Euro 19 million. A change order regarding the recognition of COVID-19-related costs was also accepted. Combined overall progress on the two projects was 95.5% at the end of December 2021. Engineering, procurement, and post-order works have been completed. Cumulative construction is 97.1% complete and commissioning progress is 3.7%. Amendments were finalized that changed the delivery deadlines, moving the Ready for Start-up for GFU to January 31, 2022, HDT and HPU to March 1, 2022, and SRU to March 30, 2022.

BELAYIM PETROLEUM COMPANY (PETROBEL) ZOHR DEV. PROJECT PHASE 2 - MODULAR SRU/TGT/SCRUBBER (Egypt) PETROBEL confirmed KT – Kinetics Technology S.p.A as supplier in Phase 2 of the ZOHR project for the construction of nine sulfur units (Claus units, Tail gas treatment, SO2 Scrubber). The total value of the contract is USD 93.2 million, in addition to Change Orders. The engineering activities are largely based on the duplication of phase 1. Deliveries shall be made in lots in the months of December 2018 and January 2019. The bonus for early material delivery has been achieved. As has already happened for phase 1, support services for the construction phase have been executed upon request of the client. Initially scheduled for March 2020, the test run has been postponed, upon request, due to the COVID-19 emergency. The date has yet to be set.

INA-INDUSTRIJA NAFTE - RIJEKA REFINERY - PROPANE/PROPYLENE SPLITTER (PPS), STORAGE & INTERCONNECTING (Croatia) KT – Kinetics Technology S.p.A was awarded an EPCC contract (Engineering-Procurement-Construction-Commissioning) for a value of Euro 57.5 million for a new Propane Propylene Splitter (PPS) plant with a 10 t/h capacity including storage and inter-connecting, at the INA Rijeka refinery in Croatia. The contract was awarded by INA Industrija Nafte, one of the main Croatian groups in the industrial sector. The PPS project relates to the production of Polymer Grade which will supply the MOL Poly Propylene complex in Hungary. This important contract confirms the trust installed in KT - Kinetics Technology S.p.A.'s capacity by this major client, following the previous EPC projects implemented with success and based on the HPU technology in the Rijeka Refinery and SRU in the Sisak Refinery. The value of the contract, amounting to Euro 5 million, was amended following the final settlement agreed with the client regarding all claims made over the course of the project. Overall progress for the project at the end of December 2021 was 100.0%. Final Mechanical Completion was achieved on February 9, 2021 (following Mechanical Completion of the priority 1 portion in July 2020). Certification by the authorities for plant handover to the client is being finalized.

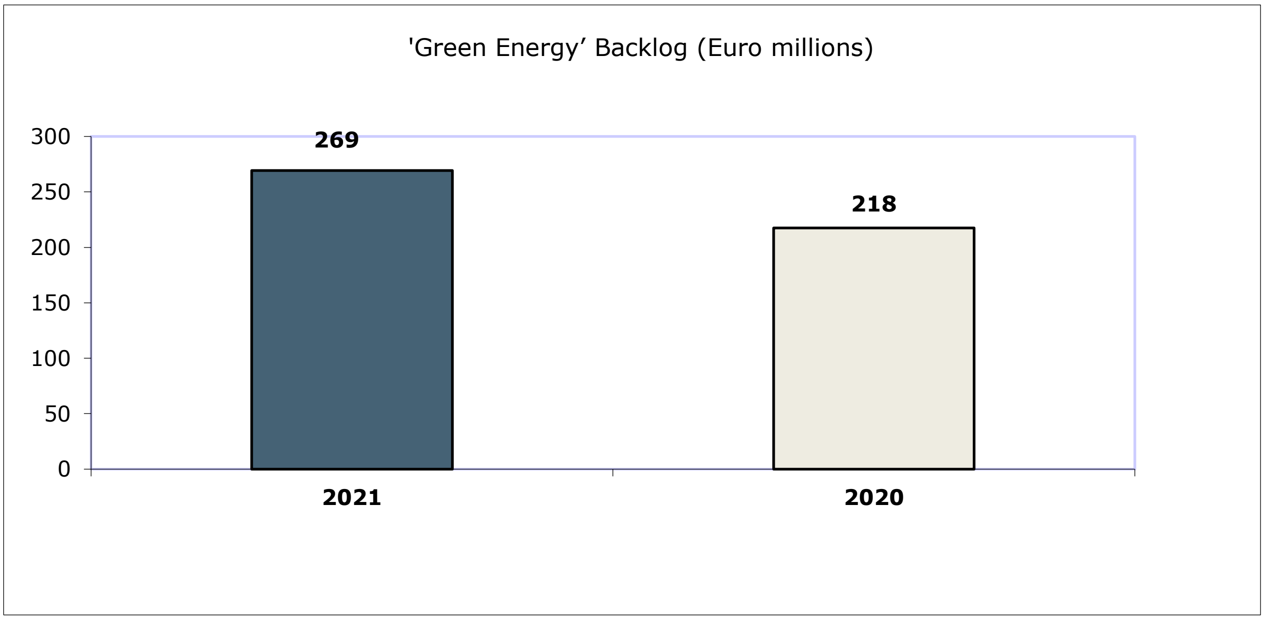
HPCL MUMBAY REFINERY EXPANSION PROJECT – HYDROGEN GENERATION UNIT (India) KT - Kinetics Technology S.p.A. - in consortium with Tecnimont Private Limited - was awarded a contract with an equivalent value of Euro 87.7 million for LEPCC (License-Engineering-Procurement-Construction-Commissioning) of a new hydrogen production unit with capacity of 91,000 Nm^3/h (HGU) which is part of the refinery expansion project at Mumbai (MREP), Maharashtra, India. This contract was awarded by Hindustan Petroleum Corporation Limited (HPCL). The project is focused on increasing refinery capacity up to 9.5 MMTPA but also to producing BS-VI fuel in compliance with environmental requirements in force from 2020 in India. Overall progress on the project at the end of December 2021 was 99.9%. Mechanical Completion was reached on April 30, 2021. Hydrogen production began on December 3, 2021, and the plant currently operates at between 30 and 50 percent capacity, depending on availability of the charge and client demand.

Other projects: all actions necessary on projects under completion and other minor engineering and services contracts are being taken.

ANALYSIS OF THE 'GREEN ENERGY' BUSINESS UNIT BACKLOG

The Backlog at December 31, 2021 compared with the previous year is as follows:

(In Euro thousands)	Backlog at 31.12.2021	Backlog at 31.12.2020	Change December 2021 vs December 2020	
			Total	%
Green Energy	269,275	217,508	51,767	23.8%



The Green Energy BU backlog at December 31, 2021, was Euro 269.3 million, up Euro 51.8 million on the previous year. New projects for the Green Energy BU mainly concerned new contracts and change orders and project variants in infrastructure, maintenance services and energy efficiency, as well as orders acquired by NextChem, the Maire Tecnimont Group subsidiary operating in green energy and technologies to support the energy transition.

The following agreements were also announced during 2021 in this area:

- a Front-End Engineering Design contract with a concurrent Memorandum of Understanding with Essential Energy USA Corp. to build a new biorefinery in South America for renewable diesel production;
- an agreement with Agylix Corporation, active in the advanced recycling of post-consumer plastics, to support the development of advanced chemical recycling facilities worldwide;
- a memorandum of understanding with Adani Enterprises Ltd. for the development of projects focusing on the production of chemicals, ammonia and hydrogen from renewable sources in India;
- an agreement with MC TAIF JSC (TAIF) for the co-development of a new biodegradable polymers plant in the Tatarstan Republic (Russian Federation);
- an agreement with Oserian Development Company to develop a renewable-fuelled fertilizer plant in Kenya;
- an agreement with Mytilineos to conduct a feasibility study for the development of a green hydrogen production plant in Italy;
- a Front-End Engineering Design contract with TotalCorbion for a Polylactic Acid manufacturing facility in France;
- a Front-End Engineering Design contract with TotalEnergies for a Sustainable Aviation Fuel manufacturing facility in France;
- an agreement with Greenfield Nitrogen LLC for the development of the first green ammonia plant in the Mid-West of the United States.
- an agreement with Acciaierie d'Italia for a feasibility study on the use of circular gas (syngas) in the Taranto steelworks.
- a contract awarded by ENI for engineering works for a CO_2 capture plant for emissions generated by the Casalborsetti natural gas plant in the province of Ravenna.
- a collaboration agreement with Paul Wurth, an SMS Group company, to promote the integrated use of electrolysis and synthesis gas production in the steel industry and, again with Paul Wurth, a subcontract (EP) on a lump sum basis for the construction of two units of Catalytic Partial Oxidation (CPO) reactor at an existing steel production plant in the Russian Federation.

PROJECTS IN PROGRESS

Renewable energy projects

Amistad, Wind Plant (Mexico), acquired in 2016 and under completion on behalf of a leading international utility company. The project, concerning the construction of the Amistad wind park, one of the largest in the country with an installed capacity of 200 MW, comprises three parts: the execution of civil works, with the delivery of the park access roadway, the internal roadways, the foundations and the platforms for the installation of 57 turbines and the medium-tension underground network; execution of electromechanical works, with detailed design, supply, installation, testing and entry into service of 5 high-tension electricity lines, 2 power stations and 4 collateral electricity stations; execution of civil works for the first extension of the Amistad wind park, with the construction of the foundations and the platforms for an additional 29 turbines, of the internal park roadways and of the medium-tension aerial network. The overall physical advancement is 100% complete. Negotiations with the client to definitively end the project are ongoing.

Metro Projects

Turin Metro – System Works (Turin, Italy). In March 2021, and despite the COVID emergency, Transfima Geie completed the system works for the Lingotto-Bengasi section of Line 1 of the Turin Metro, complying with the contractual terms established by the client Infratrasporti.To. On March 30, 2021, the Provisional Minutes of Acceptance (VCAPS)4 were signed, allowing the section to be commence operations from April. The Fermi – Cascine Vica section is a further extension of the line to the west and its contractual process is autonomous from the previous sections. The award of the section was governed on March 10, 2020 by a specific framework agreement (2nd Framework Agreement), divided into three addenda relating to the development and progress of the work: the first for planning, the second for strategic supplies and the third for commissioning. The 1st and 2nd Addenda were signed at the same time as the 2nd Framework Agreement. Design work began in 2021 in the course of the 2021. It is expected that if the civil works, which fall under the field of competence of other Contractors, continue to operate in line with general works planning, the operation of the worksite for the construction of the system infrastructure could start at the end of 2022. Infratrasporti.To's decision to migrate the signaling system from the analogue technology of the VAL 208 system to a digital system based on CBTC technology (a move that involved other market operators) had a significant impact on the works planned for the Fermi-Cascine Vica section. This resulted in a significant reduction in the scope of work provided for in the 2nd Framework Agreement signed on March 10, 2020, with the consequent separation of the signaling and automation supply works. In relation to the foregoing, on September 15, 2021 Transfima Geie signed a specific Amendment Agreement to the 2nd Framework Agreement with Infratrasporti.To. The activity relating to the five-year contract signed in April 2018 continued with regard to technical assistance and maintenance of Line 1. The contract covers all previously existing activities (technical assistance and level 3 maintenance of the technological components at line 1 of the Turin Metro, Collegno - Lingotto section) in addition to maintenance, Levels 1 and 2, of the IT network and the resolution of a number of obsolescence issues.

Turin Metro – Line 2 Engineering (Turin, Italy). Acquired in December 2017 in consortium with leading engineering enterprises, the contract involves the preliminary engineering of Line 2 on the Turin Metro and the drafting of a feasibility study for its extension. The client is the Municipality of Turin. The final delivery was made to the Municipality of Turin in December 2019: the project was validated with formal approval by the Municipal Council in January 2020. At December 31, 2021 there are still activities in progress relating above all to the environmental aspect, which will continue for several months.

Civil and industrial projects

Alba-Brà Hospital (Verduno, Italy) - acquired in November 2005 under a "construction and management" contract signed with ASL CN2. On October 3, 2019, a certificate of completion of the work was issued, in which it is attested that minor work remained to be done in the following 60 days, in accordance with the contracting code. For reasons beyond the concessionaire's control, the minor work in question extended over a period in excess of the 60 days indicated in the work completion memorandum. Following the final inspection carried out on February 28, 2020, on March 25, 2020, the report of early delivery was signed between the Licensee (MGR Verduno 2005 S.p.A., now Genesi Due S.p.A.) and the Grantor, making it possible to use part of the hospital facility to handle the COVID-19 emergency. On May 1, management of works began, assigned to the company HISI Management S.r.l., with which MGR has stipulated a contract for the provision of services. On November 11, 2019, Maire Tecnimont S.p.A. and HISI S.r.l. signed an agreement for the sale of MGR Verduno 2005 S.p.A.. The agreement stipulated, as a first step, the immediate transfer of the majority shareholding of MGR and, subsequent to the fulfilment of certain standard clauses for such transactions, the transfer of the remaining stake. On June 5, 2020, "Closing 1" took place for the sale by Neosia S.p.A (now MST S.p.A). to HISI S.p.A. of 50.003% of the share capital of MGR Verduno 2005 S.p.A., involving class A shares. Neosia S.p.A. will maintain ownership of the remaining portion of the share capital comprising class B shares, although without administrative or Shareholders' Meeting voting rights. As a result of "Closing 1" above, Neosia S.p.A. collected from HISI S.p.A. the amount of approx. Euro 9.5 million, with MGR Verduno 2005 S.p.A. deconsolidated following the loss of control of the vehicle company in 2020; "Closing 2" may take place by the end of 2022 following the conclusion of the testing works.

Avio Facility - (Colleferro, Italy), in July 2018, the EPC contract was signed for the construction of an industrial facility (Building 4026) in Colleferro for "motor expansion". Two contractual addenda for the addition of further work were formalised in 2019, with the resulting extension of work completion times. At December 31, 2021, the cumulative amount of work progress is approx. 97%. The contract for the performance of the work on Building 4562 was signed on October 29, 2019, and the work commencement memorandum was drawn up on November 19. The cumulative amount of work recognized in the accounting books at December 31, 2021 is approx. 63%.

Real Estate Initiatives

"Birillo" University Complex - (Florence, Italy); a project financing scheme by the University of Florence undertaken by the subsidiary Birillo 2007 Scarl, it was necessary, in accordance with the agreement, to initiate in August 2011 an arbitration procedure to rebalance the financial terms of the initiative. In 2016, the parties sought to reach an amicable settlement of the disputed matters and set out solutions to complete the initiative. The structure elevation works have been completed and the sampling works on the frontage has begun. On August 29, 2019, the partial completion of works certificate was issued, certifying that on August 29, 2019 construction work on the RU Building had been completed, while on October 21, 2019 the report of works completion was issued, certifying that on October 15, 2019 all works including the DSU RU Building and the common parts of the two buildings had been completed. On October 21, 2019 the Site Manager drew up the Work Completion Memorandum for the Right to University Study Building and appurtenances, certifying completion of the works, except for completion of a series of items deemed of minor, entirely marginal importance, not affecting the functionality of the works, and set a date of November 8, 2019 for the completion of the said items. On November 29, 2019 the Office of the Public Contracts Manager received a courtesy copy of the Assessment Report, dated November 11, 2019, in which the Site Manager verified the completion of the work on the basis of the completion memorandum of October 21, 2019. On December 2, 2019 the Public Contracts Manager determined that the works had effectively been completed. Pursuant to Art. 8 of the contract of sale for the property to be constructed between Birillo 2007 Scarl and the Regional Authority for the Right to University Study, following the notice of completion of work from Birillo and the subsequent issuance of the Works Completion Memorandum by the Site Manager, on December 5, 2019 the Regional Authority for the Right to University Study launched the inspection procedure to assess that the work promised for sale had been duly executed. Technical/administrative tests took place in June 2020. The lease agreement with Campus X came into effect on September 1, 2019. In June 2021, the condominium was formed and a building manager was appointed.

7. Group balance sheet and financial position

The Maire Tecnimont Group key balance sheet highlights at December 31, 2021, and December 31, 2020, were as follows:

Maire Tecnimont Condensed Consolidated Balance Sheet *(In Euro thousands)*	**December 31, 2021**	**December 31, 2020**	***Change***
Non-current assets	**826,539**	**777,134**	**49,405**
Inventories/Advances to Suppliers	478,531	484,928	(6,397)
Contractual Assets	2,325,370	1,928,600	396,770
Trade receivables	491,560	649,187	(157,627)
Cash and cash equivalents	677,100	705,327	(28,227)
Other current assets	410,923	375,645	35,278
Current assets	**4,383,484**	**4,143,686**	**239,798**
Assets held for sale, net of eliminations	**0**	**0**	**0**
Total assets	**5,210,023**	**4,920,821**	**289,202**
Group shareholders' equity	**493,252**	**412,836**	**80,416**
Minorities Shareholders' Equity	**34,098**	**35,442**	**(1,344)**
Financial debt - non-current portion	448,937	567,189	(118,252)
Other non-current financial liabilities	179,865	198,570	(18,705)
Non-current financial liabilities - Leasing	107,113	115,139	(8,026)
Other non-current liabilities	139,928	154,321	(14,393)
Non-current liabilities	**875,843**	**1,035,219**	**(159,376)**
Short-term debt	136,426	118,308	18,118
Current financial liabilities - Leasing	21,276	20,756	520
Other financial liabilities	330	330	0
Client advance payments	867,666	649,360	218,306
Contractual Liabilities	392,571	577,386	(184,815)
Trade payables	1,891,718	1,706,534	185,184
Other current liabilities	496,843	364,649	132,194
Current liabilities	**3,806,830**	**3,437,323**	**369,507**
Liabilities held for sale, net of eliminations	**0**	**0**	**0**
Total Shareholders' Equity and Liabilities	**5,210,023**	**4,920,821**	**289,202**

Maire Tecnimont Reclassified Condensed Consolidated Balance Sheet *(In Euro thousands)*	December 31, 2021	December 31, 2020	Change 2021 - 2020
Non-current assets	826,539	777,134	49,405
Adjusted net working capital	(168,888)	(65,555)	(103,333)
Employee provisions	(10,792)	(10,489)	(303)
Net Capital Employed	**646,859**	**701,090**	**(54,231)**
Group net equity	493,252	412,836	80,416
Minority interest capital and reserves	34,098	35,442	(1,344)
Adjusted net financial position (*)	(8,880)	116,916	(125,796)
Lease financial liabilities - IFRS 16	128,389	135,895	(7,506)
Coverage	**646,859**	**701,090**	**(54,231)**

(*) As the Net Financial Position is not governed by the Group's accounting standards, the Group calculation criteria may not be uniform with those adopted by other groups and, therefore, may not be comparable.

Total "Non-current assets" increased on the end of the previous year, mainly in terms of intangible assets for investments in progress in new software and related installations, with regards to initiatives related to the Digital Transformation program undertaken by the Group and the development of new technologies, particularly in relation to the Nextchem Group's activities, and due to the increases of the mark-to-market of the derivatives undertaken to hedge the exposure to exchange rate and commodity risk cash flows for contract revenues and costs falling due beyond 12 months.

The adjusted Net Financial Position at December 31, 2021 reports a net cash of Euro 8.9 million, improving Euro 125.8 million on December 31, 2020.

Net working capital consistently improved over the first 3 quarters of 2021; cash was therefore generated thanks to operating activities on the main projects underway which were restarted and recognitions made for construction work carried out earlier, resulting in higher receipts for the period, the settlement of certain positions, which due to the pandemic had suffered a temporary interruption and finally thanks to the significant acquisition of new projects in 2021, with the collection of the related advances from clients which further benefitted cash flows.

Total consolidated Shareholders' Equity, considering minority interests, at December 31, 2021 amounts to Euro 527,350 thousand, an increase of Euro 79,072 thousand compared to December 31, 2020.

The overall increase in consolidated Shareholders' Equity reflects the consolidated net income for the year of Euro 80,471 thousand and the increase in the Cash Flow Hedge reserve of the derivative instruments, which mainly relates to the temporary mark-to-market gains of the derivative instruments to hedge the currency and raw materials risk related to the revenues and costs from the projects, net of the relative tax effect for Euro 24,645 thousand and of the reserve for the translation of items in foreign currencies, also in this case positive for Euro 12,307 thousand. The main reductions concerned the payment of the dividend approved by the Shareholders' AGM of April 15, 2021, of Euro 38,122 thousand and the purchase of treasury shares in the year to service Maire Tecnimont stock-based remuneration and incentive plans adopted by the Company.

The Net Financial Position is outlined in the following table:

NET FINANCIAL POSITION (in Euro thousands)	*Note (*)*	December 31, 2021	December 31, 2020	*Change*
Short-term debt	*28.27*	136,426	118,308	*18,118*
Current financial liabilities - Leasing	*28.26*	21,276	20,756	*520*
Other current financial liabilities	*28.31*	330	330	*0*
Financial instruments - Current derivatives	*28.30*	20,288	27,358	*(7,070)*
Financial debt - non-current portion	*28.20*	448,937	567,189	*(118,252)*
Financial instruments - Non-current derivatives	*28.24*	7,536	12,632	*(5,096)*
Other non-current financial liabilities	*28.25*	179,865	198,570	*(18,705)*
Non-current financial liabilities - Leasing	*28.26*	107,113	115,139	*(8,026)*
Total debt		**921,771**	**1,060,283**	***(138,512)***
Cash and cash equivalents	*28.17*	(677,100)	(705,327)	*28,227*
Temporary cash investments	*28.15*	(779)	(490)	*(289)*
Other current financial assets	*28.15*	(4,521)	(8,927)	*4,406*
Financial instruments - Current derivatives	*28.14*	(26,580)	(5,262)	*(21,318)*
Financial instruments - Non-current derivatives	*28.6*	(16,600)	(635)	*(15,965)*
Other non-current financial assets	*28.7*	(51,084)	(62,096)	*11,012*
Total cash and cash equivalents		**(776,664)**	**(782,737)**	***6,073***
Other financial liabilities of discontinued operations	*28.18*	0	0	*0*
Other financial assets of discontinued operations	*28.18*	0	0	*0*
Net Financial Position		**145,107**	**277,546**	***(132,439)***
"*Project Financing - Non Recourse*" financial payables	*28.18, 28.20, 28.27*	(8,559)	(9,577)	*1,018*
Other non-current assets - Expected repayments	*28.8*	(16,422)	(15,158)	*(1,264)*
Financial payables - Warrants	*28.25*	(617)	0	*(617)*
Finance lease payables IFRS 16	*28.26*	(128,389)	(135,895)	*7,506*
Adjusted Net Financial Position		**(8,880)**	**116,916**	***(125,796)***

(*) The notes refer to the paragraphs of the Explanatory Notes to the consolidated financial statements where the respective accounts are analyzed in detail.

As the Net Financial Position is not governed by the Group's accounting standards, the Group calculation criteria may not be uniform with those adopted by other groups and, therefore, may not be comparable.

The adjusted Net Financial Position at December 31, 2021 reports a net cash of Euro 8.9 million, improving Euro 125.8 million on December 31, 2020.

The movement in the financial position in 2021 related to the decrease in the gross debt; in Q1 2021, in fact, the voluntary early repayment option on the Euro 20 million "2017-2023 Bond Loan" subscribed by Amundi Asset Management in April 2017 and with contractual maturity in April 2023 was exercised, while in Q2 2021 two tranches for approx. Euro 30 million of the medium/long-term loan for a nominal Euro 185 million from the subsidiary Tecnimont S.p.A. was settled. In addition, in 2021 current financial payables decreased due to the reduction in the use of credit lines to manage current commercial requirements and the use of working capital lines in support of short-term requirements within the framework of working capital management for several projects.

A further improvement in the financial position also followed the changes in the mark-to-market of derivative instruments, with a benefit of Euro 49.4 million, principally concerning derivative instruments hedging order revenue and cost fluctuations, the prices of some raw materials and to hedge the risk of fluctuations in the Maire Tecnimont share price mainly related to existing employee incentive plans.

Finally, cash and cash equivalents, which at December 31, 2021 amount to Euro 677.1 million, decreased Euro 28.2 million compared to December 31, 2020.

The main cash flow movements are reported below:

Cash Flow Statement *(In Euro thousands)*	December 31, 2021	December 31, 2020	*Change 2021-2020*
Cash and cash equivalents at beginning of the year (A)	705,327	727,394	*(22,067)*
Cash flow from operating activities (B)	196,499	(20,587)	*217,086*
Cash flow from investing activities (C)	(31,016)	(14,783)	*(16,233)*
Cash flow from financing activities (D)	(193,710)	13,303	*(207,013)*
Increase/(Decrease) in cash and cash equivalents (B+C+D)	(28,227)	(22,067)	*(6,160)*
Cash and cash equivalents at end of the year (A+B+C+D)	677,100	705,327	*(28,227)*
of which: Cash and cash equivalents of Discontinued Operations	*0*	*0*	*0*
Cash and cash equivalents at end of year reported in financial statements	677,100	705,327	*(28,227)*

Operating activities generated cash in the year of Euro 196,499 thousand, continuing the improvement from Q2 2020; cash flows from operating activities include also income tax payments, which in 2021 totaled Euro 43,432 thousand.

As previously outlined, net working capital consistently improved over the first 3 quarters of 2021; cash was therefore generated thanks to operating activities on the main projects underway which were restarted and recognitions made for construction work carried out earlier, resulting in higher receipts for the period, the settlement of certain positions, which due to the pandemic had suffered a temporary interruption and finally thanks to the significant acquisition of new projects in 2021, with the collection of the related advances from clients which further benefitted cash flows.

Cash flow from investing activities however absorbed cash totaling Euro 31,016 thousand, mainly due to the net effect of disbursements related to new software and related implementations in connection with initiatives related to the Digital Transformation program undertaken by the Group, and further efforts for the development of new technologies and intellectual property rights (patents and licenses) mainly from Stamicarbon B.V and the Nextchem Group. Disbursements relating to tangible fixed assets mainly refer to projects to expand the industrial activities of the subsidiary MyReplast Industries S.r.l. and purchases of specific equipment for wifi infrastructures and accessory components for both head offices and work sites.

Financial management also in this case absorbed cash totaling Euro 193,710 thousand; as previously indicated, this follows the voluntary early repayment option on the Euro 20 million “2017-2023 Bond Loan” and the repayment of two installments of the medium/long-term loan for a nominal Euro 185 million of the subsidiary Tecnimont S.p.A for approx. Euro 30 million; in 2021 current financial payables also decreased due to the reduction of credit lines to manage current commercial requirements and working capital lines for the management of several projects, interest paid and the repayment of the capital portions of financial leasing payables.

Additional effects were due to the payment of the dividend approved by the Shareholders’ Meeting of Euro 38,122 thousand and the purchases of treasury shares for approx. Euro 5.5 million.

ALTERNATIVE PERFORMANCE INDICATORS

In compliance with CONSOB Communication No. 0092543 of December 3, 2015, indications are provided below in relation to the composition of the performance indicators utilized in this document and in the institutional communications of the Maire Tecnimont Group.

NET FINANCIAL POSITION the Group considers the net financial position as an indicator of the capacity to meet financial obligations, represented by the Gross Financial Debt less Cash and Other Cash Equivalents and Other Financial Assets. This Directors’ Report includes a table presenting the balance sheet utilized for the calculation of the Group’s net financial position.

In order to better indicate the real movements in the net financial position, in addition to the usual measure, the “adjusted net financial position” is also presented, which in Management’s view includes the value of the recovery from the events in India on the basis of legal opinions and the insurance companies from leading providers for protection against such events (as outlined in paragraph 28.8), and excluding both financial lease payables - IFRS 16 of Euro 128,389 thousand, which were recognized solely on the basis of applying IFRS 16; the“Non Recourse” financial payables which relate to the MyReplast Industries S.r.l. loan issued by Banca Popolare di Sondrio for the company’s Circular Economy operations and the financial payables for Warrants, in relation to which reference should be made to the “Accounting Policies - Warrants” section.

The net financial position is the sum of the following accounts:

Total Debt, which is a sum of the following accounts:

a. Medium/long-term and short-term payables inclusive of bank overdrafts, factoring payables and loans

b. Other current and non-current financial liabilities, including outstanding Bond loans

c. Current and non-current derivative financial instruments

Total Liquidity, which is the sum of the following accounts:

a. Liquidity

b. Current financial assets, including financial receivables from associates, Group companies and others, including accrued financial income

c. Non-current financial assets, including financial receivables from associates, Group companies and others, including the value of investments in non-consolidated companies and other companies, without including those considered as strategic in Pursell Agri-Tech, LLC.

d. current and non-current derivative financial instruments

Net financial position adjustments:

Non-inclusion of “Financing – Non Recourse”, IFRS 16 leasing payables and financial payables for Warrants and including assets related to the compensation of the events in India, as outlined above.

RELATED PARTY TRANSACTIONS MAIRE TECNIMONT GROUP

At December 31, 2021 the company's receivables/payables (including financial) and cost/revenue transactions with related parties for the period are presented in the tables below.

31/12/2021 (in Euro thousands)	Trade Receivables	Trade Payables	Financial Receivables	Financial payables	Costs	Revenues
G.L.V. Capital S.p.A.	1	(75)	0	0	(660)	1
Maire Investments Group	207	(94)	0	0	(199)	73
Luigi Alfieri	0	(34)	0	0	(338)	0
Total	**208**	**(203)**	**0**	**0**	**(1,197)**	**74**

In particular, payable contracts refer to the lease of office buildings from Group companies, the use of the "Maire" trademark and other minor recharges from the parent G.L.V. Capital S.p.A. and from transactions with the Maire Investments Group, a company owned by the majority shareholder of Maire Tecnimont S.p.A. mainly for the purchase of administrative and other general services.

The relationship with Luigi Alfieri, Non Independent Director of Maire Tecnimont S.p.A., refers to an annual contract for assistance and consulting services in the financial field.

The Maire Tecnimont Group's contracts with clients involve facility management services and other services connected to the execution of civil works.

Transactions with other non-consolidated and/or associated Group companies, or subsidiaries over which another related party exercises a significant influence (Nextchem S.p.A. and its subsidiaries) are purely commercial and relate to specific activities linked to contracts; in addition, certain consortiums, having substantially concluded operations, are in liquidation:

31/12/2021 (in Euro thousands)	Trade Receivables	Trade Payables	Financial Receivables	Financial payables	Costs	Revenues
MCM servizi Roma S.c.a.r.l. in liquidation	0	(93)	0	0	0	0
Studio Geotecnico Italiano S.r.l.	0	(242)	0	0	(85)	0
Villaggio Olimpico MOI S.c.a.r.l. in liquidation	0	0	24	0	0	0
Biolevano S.r.l.	0	0	0	0	0	4
TCM KTR LLP	73	0	650	0	0	20
Exportadora de Ingenieria y Servicios Tcm Spa	0	0	0	(67)	0	0
Volgafert LLC	7,308	0	0	0	0	65,788
JV TSJ Limited	0	110	0	0	0	0
Hidrogeno Cadereyta - S.A.P.I. de C.V.	17	0	978	0	0	34
Tecnimont Iberia	0	0	10	0	0	0
Nextchem S.p.A.	10,359	(1,108)	11,360	0	(122)	8,990
MyRechemical S.r.l.	323	0	0	0	0	323
Mdg Real Estate S.r.l.	0	(139)	0	0	(195)	0
Stamicarbon US	0	(550)	0	(556)	(501)	0
Met T&S Management	0	0	58	0	0	0
GCB General trading	0	0	14	0	0	0
Gulf Compound&Blending Ind.	26	0	12	0	0	0
Maire Tecnimont Foundation	40	0	0	0	(140)	33
Total	**18,147**	**(2,023)**	**13,105**	**(624)**	**(1,044)**	**75,192**

The Maire Tecnimont Foundation is a non-profit organization founded in 2021 by the Group to organize initiatives aimed at promoting culture, research, training and corporate social responsibility, with the purpose of enhancing and improving knowledge of Maire Tecnimont Group's historical identity, technological skills and cultural heritage. At December 31, 2021, the Group had paid contributions amounting to Euro 140 thousand and rendered various services to the Foundation for a total value of approximately Euro 33 thousand.

Remuneration of Directors, Statutory Auditors and Senior Executives is outlined below:

31/12/2021 *(In Euro thousands)*	Remuneration
Directors	3,683
Statutory Auditors	288
Total	**3,971**

The remuneration concerns emoluments and all other payments, pension-related or social security deriving from the role of Director or Statutory Auditor in Maire Tecnimont S.p.A..

The remuneration of Directors and Statutory Auditors and Senior Executives, appears in the 2021 Corporate Governance and Ownership Structure Report and the 2022 Remuneration Report, both available on the company website at www.mairetecnimont.it in the "Governance" section.

RELATED PARTY TRANSACTIONS MAIRE TECNIMONT S.P.A.

In view of the transactions carried out by Maire Tecnimont in 2021, related parties principally concern:

- from group and associated companies (Tecnimont S.p.A., KT-Kinetics Technology S.p.A., Neosia Renewables S.p.A., MST S.p.A., Stamicarbon B.V., MET Gas Processing Technologies S.p.A., Met Development S.p.A., Met Dev 1 S.r.l., Nextchem S.p.A., Cefalù 20 S.c.a.r.l.; TCM do Brasil, OOO MT Russia, TPI, TCM-KT JV S.r.l, Met T&S Limited, Tecnimont USA Inc., Tecnimont Nigeria, Tecnimont Philippines, Tecnimont Arabia Ltd);
- from the parent company G.L.V Capital S.p.A. and from the consolidation scope of Maire Investments S.p.A., a company directly held by the majority shareholder G.L.V. Capital S.p.A..
- from the Maire Tecnimont Foundation and Luigi Alfieri, Director of Maire Tecnimont S.p.A.

Commercial contract payables refer to the lease of the properties housing the Company's offices, particularly the office on Piazzale Flaminio (Rome), the use of the "Maire" trademark and other minor recharges (relations with GLV Capital S.p.A.); dealings with the Maire Investments Group mainly for the purchase of administrative and other general services.

Maire Tecnimont structurally benefitted from services provided by Tecnimont S.p.A, specifically the availability of office spaces, in addition to the provision of other related services (general services, facilities, security, equipment) and other AFC services from the subsidiary KT.

Financial contract payables refer to payables for financing received (TCM-KT JV S.r.l. and KT-Kinetics Technology S.p.A.). The loans are interest-bearing at market rates.

Financial contract receivables concern the loans granted to the subsidiaries (Tecnimont S.p.A., KT-Kinetics Technology S.p.A., Neosia Renewables S.p.A., Met Development S.p.A. Met Dev 1 S.r.l., MST S.p.A., MET Gas Processing Technologies S.p.A., TCM Filippine, TCM Nigeria, Nextchem S.p.A.) for the management of their operating activities. All loans are interest-bearing at market rates.

The balances of bank current accounts payable and receivable arise from the cash pooling contract adopted by Maire Tecnimont S.p.A to which several Group companies have subscribed; interest accrues on the balances at market rates.

Commercial contract receivables principally concern services provided by Maire Tecnimont S.p.A. in favor of the subsidiaries the administrative, tax and legal service and the recharge of a number of costs incurred on behalf of the subsidiaries.

The residual balances are payables arising under the tax consolidation agreement (Tecnimont S.p.A., KT-Kinetics Technology S.p.A., Neosia Renewables S.p.A., MET Gas Processing Technologies S.p.A., MST S.p.A., Met Development S.p.A. Met Dev 1 S.r.l. TCM-KT JV S.r.l.) and payables and receivables arising following the VAT consolidation (MST S.p.A., Neosia Renewables S.p.A., Tecnimont S.p.A., KT-Kinetics Technology S.p.A., MET Gas Processing Technologies S.p.A., Met Development S.p.A., TCM-KT JV S.r.l., Cefalù 20 S.c.a r.l).

The Maire Tecnimont Foundation was established on February 4, 2021 on the initiative of the Maire Tecnimont Group to promote culture, research, training and Corporate Social Responsibility.

The relationship with Luigi Alfieri, Non Independent Director of Maire Tecnimont S.p.A., refers to an annual contract for assistance and consulting services in the financial field.

The Company’s receivables/payables and cost/revenue transactions with related parties for 2021 are presented in the tables below:

(in Euro thousands) 31/12/2021	Trade Receivables	Trade Payables	Financial Receivables	Financial Payables	Receivables (Payables) for VAT consol.	Receivables (Payables) for tax consol.	Receivables for excess IRES transferred	Receivables (Payables) for cash pooling	Revenues	Costs	Financial income	Financial expenses
Tecnimont S.p.A.	11,380	(2,615)	251,457		(37,656)	14,014	2,000	(124,886)	23,466	(4,205)	11,699	(115)
KT S.p.A.	4,110	(258)	74,293	(113,000)		4,269	300	(32,673)	7,982	(333)	2,845	(3,011)
Neosia Renewables S.p.A.	250		35,330		(179)	(862)	800	3,550			962	
Stamicarbon B.V.	222	(119)						(8,298)	217		8	(176)
Met Gas Processing Technologies S.p.A.	5		276		(10)	(24)		(288)	16		10	
G.L.V Capital S.p.A.		(75)								(659)		
MST S.r.l.	519	(24)	59,413		843	(939)		3,260	322	(214)	1,661	(8)
Met Development S.p.A.	9		14,000		(69)	(432)		2,064	65		371	(1)
Met Dev 1 S.r.l.	52		1,564			1,025	400				37	
OOO MT Russia	543								287		323	
TPI	15	(160)							8		1	
TCM France	46	(678)									11	
MET T&S LIMITED	61							5,712	7		46	
Cefalù S.c.a.r.l.	10				(108)		300				5	
Tecnimont Private Limited	573								5		88	
Tecnimont México									5			
Tecnimont USA Inc.	1								5			
Tecnimont Arabia Ltd	27								5		15	
TecnimontHQC Sdn. Bhd.	23											
Met Newen Mexico S.A. de C.V.	652								127		9	
Biolevano S.r.l.									4			
Cosorzio Turbigo 800									1			
Nextchem S.p.A	94	(129)	11,074					286		(120)	344	
TCM Nigeria	208		1,956								55	
TCM Philippines	8		637								8	
TCM-KT JV S.r.l.	(11)	(1,739)		(70,000)	(1,094)	1,277	400	(5,610)			63	(2,897)
kt india	1											
Esperia										(28)		
TCM/Valesstroy								(100)				
TCM Egypt	124								124			
Maire Tecnimont Foundation	13								11	(20)		
Luigi Alfieri		(34)										
Total	**18,935**	**(5,830)**	**449,999**	**(183,000)**	**(38,273)**	**18,328**	**4,200**	**(156,984)**	**32,656**	**(5,577)**	**18,561**	**(6,209)**

Remuneration of Directors, Statutory Auditors and Senior Executives is outlined below:

31/12/2021 *(In Euro thousands)*	Remuneration
Directors	3,683
Statutory Auditors	200
Total	**3,883**

The remuneration concerns emoluments and all other payments, pension-related or social security deriving from the role of Director or Statutory Auditor in Maire Tecnimont S.p.A..

The remuneration of Directors and Statutory Auditors and Senior Executives, appears in the 2021 Corporate Governance and Ownership Structure Report and the 2022 Remuneration Report, both available on the company website at www.mairetecnimont.it in the “Governance” section.

8. Human Resources, Training & Incentives

HUMAN RESOURCES

The year confirmed the adequacy of the Group's organization and processes, including in terms of managing the changing pandemic situation. Operational continuity and effective coordination of national and international sites have been guaranteed. The primary objective remains the maximum safeguarding and protection the health and safety of human capital.

The "Be Adaptive! - Working Smart in Maire Tecnimont Group" program, based on the Group's widespread and consolidated experience in agile working and on the availability of an IT infrastructure capable of guaranteeing adequate support, was restored in full compliance with the occupational health and safety provisions issued by the competent bodies and institutions.

At December 31, 2021, the Maire Tecnimont Group headcount totaled 6,358 resources, up by about 7% on the previous year, with 1,237 new hires and 839 departures (about 45% of which related to fixed-term contracts). This figure is further confirmation of the Group's ability to select resources, even within a serious crisis brought about by the evolution of the pandemic.

The geographical areas of the Group most affected by this increase (398 resources) were as follows:

"Italy & Rest of Europe": staff numbers rose from 2,913 to 3,187, with an increase of 274, including 132 in Italy, where the steady growth of the workforce in the Green sector should be noted, confirming continued investment in this business sector, which is considered a key Group strategy. Also at national level, the subsidiary, MST S.p.A., increased its resources in order to acquire multi-service contracts with dedicated operating staff.

The increase of 142 resources in the Rest of Europe is mainly attributable to the UK subsidiary MET T&S Limited (+63 resources), which continued to play its key role in international staffing for non-EU projects. This increase is also attributable to the hiring of resources at the Dutch subsidiary Stamicarbon (+33) and in the Group's European Branches in Belgium, Poland and Croatia, in support of ongoing EPC projects.

"Russia & Caspian Region": the increase of 123 resources - in support of projects in the area, including Kingisepp 2, AGPP and AGCC in Russia and SOCAR in Azerbaijan (with the additional new packages acquired), also confirms the consolidation of local expertise and structures present in Moscow.

"North & Sub-Saharan Africa Region": 73% increase in staff compared with the end of the previous year is due to projects in Nigeria (in the start-up phase) and Angola.

"India Region": rise in staff numbers continued with the increase from 2,014 to 2,023 resources.

In contrast, there was a decrease in the following geographical areas:

"Middle East Region": a decline of 40.4% compared to the end of 2020, mainly due to the reduction of resources operating on the PP5 (UAE) and LIWA (Oman) projects. On the other hand, we report the recent acquisition of the GEMLIK project in Turkey, with a dedicated office in the country in order also to strengthen the Group's procurement and purchasing activities.

Graduates at the Maire Tecnimont Group at December 31, 2021 accounted for 71% of the workforce; the average age was approx. 43. In terms of gender breakdown, females represent approx. 21% of the total workforce.

The workforce at 31/12/2021 of the Maire Tecnimont Group, with movements (by qualification and region) on 31/12/2020 (and the average workforce for the year), is outlined in the following tables. The table below outlines the workforce by areas of effective engagement at 31/12/2021 and 31/12/2020, with the relative movements:

Change in workforce by category (31/12/2020 - 31/12/2021):

Category	Workforce 31/12/2020	Hires	Departures	Reclassification employee category (*)	Workforce 31/12/2021	Cge. Workforce 31/12/2021 vs. 31/12/2020
Executives	646	21	(29)	41	679	33
Managers	2,234	236	(186)	131	2,415	181
White-collar	2,954	863	(552)	(170)	3,095	141
Blue-collar	126	117	(72)	(2)	169	43
Total	**5,960**	**1,237**	**(839)**	**0**	**6,358**	**398**
Average headcount	**6,107**				**6,162**	**55**

(*) includes promotions, changes in category following inter-company transfers / Job Title reclassifications

The classification of the qualifications above does not necessarily reflect the contractual classification under Italian employment law, but corresponds to the identification criteria adopted by the Group on the basis of roles, responsibilities and duties

Changes in workforce by region (31/12/2020 – 31/12/2021):

Region	Workforce 31/12/2020	Hires	Departures	Reclassification employee category (*)	Workforce 31/12/2021	Cge. Workforce 31/12/2021 vs. 31/12/2020
Italy & Rest of Europe	2,913	482	(232)	24	3,187	274
India Region	2,014	165	(138)	(18)	2,023	9
South East Asia and Australian Region	4	1	(1)	0	4	0
Rest of Asia	83	13	(28)	0	68	(15)
Russia & Caspian Region	595	368	(244)	(1)	718	123
North America Region	15	3	(2)	0	16	1
Central and South America Region	9	4	(1)	0	12	3
Middle East Region	208	85	(164)	(5)	124	(84)
North Africa Region & Sub-Saharan Africa Region	119	116	(29)	0	206	87
Total	**5,960**	**1,237**	**(839)**	**0**	**6,358**	**398**

(*) includes promotions, changes in category following inter-company transfers / Job Title reclassifications

Changes in workforce by operational region (31/12/2020 – 31/12/2021):

Region	Workforce 31/12/2020	Workforce 31/12/2021	Cge. Workforce 31/12/2021 vs. 31/12/2020
Italy & Rest of Europe	2,712	2,882	170
India Region	1,892	1,904	12
South East Asia and Australian Region	9	7	(2)
Rest of Asia	100	79	(21)
Russia & Caspian Region	747	940	193
North America Region	15	17	2
Central and South America Region	13	16	3
Middle East Region	285	189	(96)
North Africa Region & Sub-Saharan Africa Region	187	324	137
Total	**5,960**	**6,358**	**398**

Average headcount:

Maire Tecnimont Group	Average headcount 2021	Average headcount 2020	Change
Maire Tecnimont S.p.A.	170	150	20
Neosia Renewables SpA	8	11	(3)
Met Development S.p.A.	4	4	0
MET T&S Limited	152	132	20
Stamicarbon (*)	205	178	27
Protomation B.V. (4)	0	14	(14)
Stamicarbon USA Inc.	1	1	0
KT (*)	696	617	79
KT Arabia LLC	1	1	0
KT Star	2	2	0
KT – ANGOLA (SU) LDA.	52	22	30
Nextchem S.p.A.	53	41	12
MyRechemical S.r.l. (1)	10	0	10
MyReplast Industries S.r.l.	36	29	7
Green Compound S.r.l. (2)	0	5	(5)
BIO-P S.r.l.	2	3	(1)
Tecnimont S.p.A. (*)	1,947	2,100	(153)
Tecnimont HQC BHD	37	58	(21)
MT Russia OOO	463	419	44
MST S.p.A. (3)	103	72	31
Tecnimont Philippines Inc.	1	3	(2)
TCM-KT JV Azerbaijan LLC	91	73	18
Tecnimont Arabia Company Limited	14	23	(9)

Maire Tecnimont Group	Average headcount 2021	Average headcount 2020	Change
Tecnimont Private Limited (*)	2,023	2,043	(20)
TECNIMONT E&I (M) SDN. BHD.	2	4	(2)
Ingenieria Y Construccion Tecnimont Chile Y Cia. LTDA	2	2	0
TPI Tecnimont Planung und Industrieanlagenbau Gmbh	46	45	1
Tecnimont Usa Inc. Euro 94 thousand;	14	19	(5)
Tecnimont Mexico SA de CV	1	0	1
TWS	2	1	1
Tecnimont Nigeria Ltd	21	4	17
Tecnimont do Brasil-Contruçao de projetos LTDA	4	5	(1)
NEOSIA S.p.A. (3)	0	25	(25)
Cefalù 20 Scarl	1	3	(2)
Total	**6,162**	**6,107**	**55**

(*) Figure also includes Branches and representative offices.
(1) Please note the incorporation on October 21, 2020.
(2) Company merged into MyReplast Industries S.r.l. on December 29, 2020.
(3) Merger of Neosia S.p.A. into MST S.r.l., effective January 2021; MST was also transformed from an "S.r.l." into an "S.p.A." at the time of the merger deed.
(4) Merger by incorporation of Protomation B.V. into Stamicarbon B.V., effective January 2021.

	Average headcount 2021	Average headcount 2020	Change
Engineering	2,917	2,929	(12)
Operations	1,267	1,231	36
Remainder Technical Area	889	870	19
Commercial Area	179	168	11
Staff Area	910	908	2
Total by professional category	**6,162**	**6,107**	**55**

	Average headcount 2021	Average headcount 2020	Change
Italy & Rest of Europe	3,019	2,922	97
India Region	2,026	2,044	(18)
South East Asia and Australian Region	4	5	(1)
Rest of Asia	71	116	(45)
Russia & Caspian Region	683	571	112
North America Region	15	20	(5)
Central and South America Region	10	14	(4)
Middle East Region	177	307	(130)
North Africa Region & Sub-Saharan Africa Region	159	109	50
Total by region of hire	**6,162**	**6,107**	**55**
Of which:			
Italian open-ended	2,515	2,497	18
Italian fixed term	20	33	(13)
Total	**2,535**	**2,530**	**5**

PERSONNEL TRAINING AND DEVELOPMENT

In the year under review, the use of digital and social collaboration tools ensured continuity and effectiveness in the Group's training offer. Digitizing its institutional training catalogue (which was also carried out through the MET Academy) allowed the Group to deliver approx. 5,800 hours of project management training and more than 29,800 hours of technical-specialist training. The Group was also able to continue providing traditional courses on soft skills, which are increasingly focused on the cultural specifics of the countries in which the Group operates, with a view to fully exploiting local "in-country value" and diversity more generally.

The courses on cyber security were repeated, confirming the commitment to significant investment in training, in terms of content and employee involvement, within the wider process of digitalization underway. As soon as the training campaign dedicated to the Italian subsidiaries and the Indian company TCMPL was completed, further initiatives were implemented in 12 foreign companies (over 8,893 hours), with the aim of consolidating and further extending employee awareness and sensitivity to potential IT risks and the virtuous behaviors that need to be adopted.

The commitment to promoting a culture of health and safety and wellbeing among Home Office staff translated into 12,226 hours of information and training provided to a total of 3,728 participants. Initiatives to consolidate knowledge and raise awareness of the Group's HSE & SA8000 multi-site management systems and specific training on high risk (including for personnel seconded to work sites), in accordance with Legislative Decree No. 81/2008, were also carried out and the State-Regions agreement, which accounted for approx. 24% of the total number of hours provided.

In agreement with the respective Supervisory Committees, training activities were provided as usual on the subjects of Legislative Decree No. 231/2001, the Code of Ethics of the Maire Tecnimont Group and the Organization, Management and Control Model of the Parent Company and of the Italian subsidiaries. Also noteworthy is the Group's best practices initiative regarding respect for privacy and the EU's General Data Protection Regulation (GDPR). A total of 1,904 staff participated.

As part of its efforts to develop in-country value, the Group also participated in the second edition of the Maire Tecnimont UP program dedicated to internationalization, digital transformation, co-engineering and open innovation. The program supports SMEs through the sharing of knowledge and lessons learned with leading Italian suppliers. The virtual workshop involved more than 60 managers from 40 leading SMEs, together with the Group's management team. This initiative seeks to create an innovative platform through which the Group and its supply chain can share knowledge gained over the years, allowing participants to learn the key skills needed to create value and increase competitiveness on international markets. After this workshop, a meeting was held for 8 selected suppliers that set out to develop the theme of internationalization. The format of the meeting was even more interactive and provided for the direct involvement of participants in the various round tables.

Further worthy of note is the Company's participation, as a corporate partner, in the ZERO project - the Italian Cleantech Accelerator of the National Accelerator Network promoted by Cassa Depositi e Prestiti. The project was created with the aim of identifying start-ups with high business potential and zero environmental impact solutions in the fields of energy transition, decarbonization and sustainability. In addition to representing an important opportunity to meet with leading corporations and start-ups and contributing to the professional development of employees selected to participate in the training program (which builds mentoring skills and the ability to evaluate solutions proposed by start-ups), the Group's participation in the innovation program confirmed the importance it places on environmental sustainability and ecological transition.

Again in 2021 the Company provided training courses for the various types of initiatives described above, financed by the main relevant inter-professional funds, by agreement with union representatives, and in compliance with the latest directives designed to tackle the COVID-19 emergency. The Group also submitted an application for access to the New Skills Fund, which is a public fund co-financed by the European Social Fund. The purpose of the fund is to encourage companies to invest in strengthening employee skills by allocating working hours to the development of specific skills through training initiatives. The Company's plan, "Methodologies and Skills for Innovation," addresses specific needs, such as:

- the strengthening of employee skills and expertise to meet needs deriving from the new working and organizational methods adopted to respond to the market challenges imposed by the pandemic and emerging business scenarios;

- consolidation of an approach aimed at valuing diversity in order to encourage an increasingly inclusive corporate culture and environment, in line with the Group's sustainability strategy;
- investment in developing the managerial skills of group coordinators, in particular.

The Group also devised an initiative to promote relationships and collaboration with the world of education to encourage initial contact with the world of work, and to align supply and demand in this area. The initiative included virtual career days organized as part of Marie Tecnimont's consolidated partnership with the Milan Polytechnic and Luiiss Guido Carli universities, and training days for selected secondary school students. Finally, two further collaborations with the Milan Polytechnic university have been formalised: the "International Master in Project Management" and the "Master in Sustainable Industrial Management", which will see Maire Tecnimont participate in the relevant training program by providing teaching hours.

In addition to the existing initiatives, Maire Tecnimont has also consolidated its Human Capital Development strategy by launching the new "Maire Tecnimont Flourishing Program". This aims to develop the "managerial generation of the future", which will be able to support change and, in particular, the company's energy and digital transition strategy in the long term. The program's first step involves a project to enhance the Group's organizational culture, designed to deepen its knowledge by analyzing staff perception, engagement levels and organizational cohesion. On the basis of the results, ad hoc development paths will be defined for the figures identified, partly with a view to succession planning. The training currently on offer will be extended to include specific mentorship programs, particularly for selected young people in the Group, with the active involvement of a more senior management band.

Among the engagement initiatives, "Digital Beyond" - a project that involves the participation of employees who have nominated themselves as "Digital Catalysts" to accelerate the Group's digital transformation and support and disseminate digital innovation in the various corporate areas - has continued to grow, with more than 160 participants at the date of this Report.

In continuation of the partnership with Valore D - the first association of companies in Italy to promote gender balance and an inclusive culture to promote growth in companies and the country - a number of training courses dedicated to the themes of diversity and inclusion have been organized.

Finally, in 2021 Maire Tecnimont provided its employees with a program for discussion and listening on the issue of gender diversity, using the twin levers of engagement and training as an integral part of the Group's sustainability strategy and the consolidation of the heritage of ethical principles and values on which it bases its identity and culture. The program, carried out through focus groups and idea generation workshops, involved more than 50 staff from different companies, who discussed the issue of inclusivity in terms of "gender", providing ideas and concrete suggestions for the broader program of Gender Diversity, Equity and Inclusion that will soon be implemented.

COMPENSATION AND INCENTIVES

In 2021 Maire Tecnimont confirmed, as in previous years, the strategic lines of its Remuneration Policy, as illustrated in the "2021 Remuneration Policy and Report" -, prepared in light of the provisions of Shareholder Rights Directive II, the amendments made to Article 123-*ter* of the CFA by Legislative Decree No. 49/2019, the Corporate Governance Code and the new wording of the Issuers' Regulation. As in previous years, the objective of the Policy - which was approved by the Board of Directors on March 10, 2021 - is to attract and retain personnel with sufficient role-specific skills and professional qualities to pursue the sustainable and long-term success of the Group. The Shareholders' Meeting of April 15, 2021 approved the contents of the Policy and the adoption of the third-cycle (2021-2023) "equity settled" of the Long Term Incentive Plan. In continuity with previous years, the plan was established to align senior management's interests with the pursuit of the Company and the Group's sustainable success, and to maintain the alignment of critical interests with corporate objectives, further supporting retention in the long term. On June 24, 2021 the Board of Directors approved the plan Regulation and approved the start of the Second Cycle (2021) of the ordinary 2020-2022 General Share Plan for all employees, providing for the allocation of the relative rights within the terms defined by the relative Regulation. After being put on hold last year following cost containment measures approved by the Board of Directors on May 7, 2020, work to define and assign objectives for the year under review resumed during the first half of 2021 both as regards the MBO incentive plan for Senior Executives and as regards the Group Incentive Standard in place for other key business figures. 2021 saw the introduction of two significant innovations in this regard, namely i) the presence – in all forms and with a weighting of at least 10% – of non-financial objectives closely related to ESG topics and specifically the protection of health and safety, the development of human capital, and environmental sustainability, and ii) the application of a "rolling" approach, with the assignment of an objective in the second half of the year, to provide managers with a timely and flexible tool to steer the actions of employees involved with the management of any new emerging priorities. In the first half of the year, the Group drew up objectives linked to previously implemented incentive and engagement systems and those in force for the financial year in question. In line with current trade union agreements, annual bonuses and profit sharing figures for 2020 were approved, as was the flexible benefits portion of the Maire4You Plan for the same period. It should also be noted that the aforementioned Board meeting of June 24, having verified the achievement of the performance objectives for the First Cycle (2020) of the 2020-2022 General Share Plan, resolved to allocate - on July 8, 2021 - the related shares to the over 4,000 beneficiaries worldwide. The same Board meeting also resolved to launch the Second Cycle (2021) of the Plan, which registered an acceptance rate of over 95%, in confirmation of the widespread appreciation of the initiative among employees.

Finally, in May, shares relating to the 2017-2019 Restricted Stock Plan – suspended as a matter of prudence by senior management and approved by the Remuneration Committee – were issued by the Board of Directors on May 7, 2020. July, meanwhile, saw the finalization of work to activate the Investment Plan based on financial instruments issued by the subsidiary NextChem 2020-2024.

9. Information Systems, General Services & Security

As in the previous year, the ICT Function carried out its planned activities and ensured oversight of its remit, including as regards the timely and effective management of the changing pandemic situation, thereby protecting staff health and safety while also ensuring productivity and operational continuity at offices and operating sites. The availability of an advanced technological platform, the extensive and secure use of the agile working model - already widely used within the Group’s Italian businesses - the constant investment in digital culture and skills and the activation of an ad hoc training program for ongoing awareness-raising and sensitization on cyber security issues all made it possible to ensure operativity at Italian and foreign offices and on construction sites.

The intensification and acceleration of the ongoing Digital Transformation Program - which includes the renewed portfolio of project streams approved by the Company's Board of Directors - was facilitated by the synergy between the ICT, Organization and General Services functions and by the effective coordination and review of the related work and organizational processes, which were implemented in full compliance with the business evolution and the Group's strategic lines. Work to transform key business processes and enable the integration and exchange of information between the various functions, partners and/or external clients therefore continued through the use of the digital platform, including with the support of artificial intelligence models.

The function participated in and contributed to the cost containment program launched by the Group in the previous year, and also provided its usual support for Project G&A activities, which targeted structural optimization of the related costs.

In terms of infrastructure, the strategy of using cloud services from providers able to guarantee high levels of security and quality standards once again proved valid. Of particular note is the completion of the systems migration to Cloud Azure at the Milan office. Use of the Microsoft O365 suite was further extended to additional areas of the Group, providing an IT performance baseline that allows full use of collaboration tools and remote and/or cloud data while guaranteeing the highest security standards. As regards the management of Operation activities, an ad-hoc service was activated to optimize the service, and a project was launched to update the local networks for the Milan and Rome Via Di Vannina offices. In terms of connectivity at the Italian offices, an interdisciplinary project is underway to install a new WIFI/Core system, which is designed to optimize the smooth management of workstations.

As regards cyber security, in July Maire Tecnimont and its Italian subsidiaries Tecnimont S.p.A. ("Tecnimont") and KT - Kinetics Technology S.p.A. ("KT") obtained the first renewal of the ISO/IEC 27001:2013 certification for information security.

In the area of data protection (Information protection & Data loss prevention), of particular note is the launch of a specific project to standardize the security and confidentiality levels of project documents throughout their life cycle, as is the definition of advanced protection policies that further increase security and confidentiality in the exchange of documents with external partners.

The technologies already in place were also further extended and enhanced. These include: Multi-factor authentication, Single sign-on, Passwordless authentication and secure web browsing/access via Zscaler, in addition to Defender, Avecto and Device Lock protections. Also worthy of note are the encryption of data on company equipment with BitLocker and the use of automatic systems for the distribution of security patches, both for operating systems and applications (WSUS/SCCM). Also worth mentioning in this area are the adoption of Zero-Trust systems based on Yubikey for the physical authentication of personal PC users and cloud resources via the FIDO2 protocol, in addition to the implementation of MFA authentication factors using mobile phones; these measures have enabled further improvements to the already highly effective security and fraud prevention policies, including in managing the risk of IT fraud deriving from digital identity replacement. Citrix VDIs and VPNs created with AKAMAI EAA technology have also been improved for non-web-portable systems. This architecture allows access to internal applications using the highest level of security measures.

The Security Operation Center (SOC) service, which monitors intrusions and attacks originating both inside and outside the network and systems, was also renewed, extended and significantly enhanced. The implementation of Cisco Meraki networks ensures communication between individual sites and between sites and worksites.

An integrated system was implemented to allow for the use of Yubikeys as unique user identity devices to provide both digital (PC/web/application) and physical (access points, printer and locker authentication) access control. This solution has been in use at the Milan office since the beginning of the year and will soon be distributed to the Group's other Italian offices.

Further security measures were also activated, including the new EDR DeceptiveBytes and DeviceLock for all companies and branches of the Tecnimont Group, the Alsid Solution - Security for Active Directory, the activation of Azure Security Center with Vulnerability Assessment IaaS, SaaS and PaaS Solution, also with a view to protecting services and portals; the Web Application Firewall service by Akamai was also adopted to prevent and block any attacks transmitted over the Internet.

Implementation activities continued for the NAC (Network Access Control) and the "System Centre Configuration Manager" in compliance with Group standards, and cyber security operations, forensic assessments and a penetration test were carried out.

Finally worth mentioning is the adoption of OSINT platforms such as Spiderfoot and Shodan.io for threat intelligence, asset discovery, attack surface monitoring and security assessments.

As regards the Digital Transformation Program, the internal digital portfolio was developed in nine business areas, totaling 40 initiatives made operative through the adoption by business users of 77 different solutions that are now live. In addition to affecting each of the dimensions of the EPC production chain, it also supports numerous staff activities, such as management of all connections between the various operational offices. Among the main new solutions implemented during the year under review are: i) Nextend (Steel Structure module) which uses an extended organization approach to enable more effective and efficient management of the post-order phase and control of the PO and related invoicing; ii) the implementation of a new document management system (Digital Document), which automates a series of quality controls previously carried out by operators, allows the management of workflows for revision and commenting, and enables new dashboards to control the documental status of projects; iii) logistics sourcing, which enables the use of multiforwarder models with optimization of times/costs in the shipment phase of materials to sites.

In terms of Digital Improvement and Connected Plant, the following are of note: i) the launch of the "POE-OTS HPU/SRU" project, an inter-company collaboration involving Tecnimont - KT - Stamicarbon SA ("Stamicarbon") and involving the development of a Process Optimization Engine, a digital twin of the physical plant that allows process simulation on sulphur and hydrogen licensed technologies, combined with real-time monitoring of operations variables/parameters to optimize operations; ii) the development of an Operator Training Simulator, with an interactive interface and an extremely realistic experience to be used in training for staff managing the plant. In addition, KT is now equipped with the latest version of the process simulator required for POE integration.

Other initiatives boasting strong innovation - such as Knowledge Mining - are also being launched, again in the interests of increasing productivity, optimizing costs and minimizing risks. Knowledge Mining uses artificial intelligence to identify and extract valuable information from site documentation, with precision honed through self-learning. Augmented Reality initiatives were implemented using Hololens to develop a virtual representation of the facilities and supported by extremely precise BIM representations from laser scanning and drones.

The digitalization program also continued with the activation of new project streams, many of which are based on the Microsoft D365 Dynamics platform. These include: i) Packing List Management: an initiative that enables a process of collaboration both interdepartmentally and with suppliers, thanks to complete tracking of the documentation exchanged, starting from the design PL up to the certifications and also including, by way of example, ETA, ROS date and Selling Price calculation tracking; ii) in the construction field, also on the Dynamics platform, the project "Construction enhanced services for field operation" was concluded and the first work orders for paperless certification were created with mobile apps based in the cloud and on the connected plant paradigm. The AWP Continuous improvement project and the EW@ Platform are also ongoing. These target continuous improvement in managing relevant construction information and the structuring and correlation of the data collected to support the current estimate of the construction operation and the life cycle management process of the subcontractors; iii) D365 Correspondence Management, portal for the management of formal and informal communication processes in the project environment and the POC for the Asset Digital Twin system; iv) Digital Documents: project for the life cycle management, archiving and distribution of documents exchanged between the internal departments of the engineering disciplines and external stakeholders (clients and subcontractors). This project made it possible, through the use of artificial intelligence algorithms, to optimize both the quality control phase of the documents and the interaction with the customer in the management phase of comments and revisions, thanks to the collaboration functionalities of the MS 365 platform. This solution best represents the concept of design thinking, since it aims to reshape the process in use on the basis of the real needs of participants and, above all, make use of the enabling technological capabilities. In particular, it has made possible a considerable reduction in the time needed to send documents to the client and, consequently, in the costs of the quality control phase of the same and of management of the comment cycle. This system, which has been in production for months, is constantly evolving, by taking on board feedback from users and by virtue of the various implementation possibilities made available by the technology; v) Salesforce Evolution, with optimization of the Salesforce Opportunity Management system, rollout for KT and start of rollout of the system also for NextChem S.p.A. ("NextChem"); vi) Project Resource Hours Management - Manhours Monitoring: the project for the management of manhours for operational and non-operational projects was launched, divided into 4 parallel project streams managed with agile methodology (Digital Project Master, Activity Registry & Alert Card, Timesheet and Reporting); vii) PoC of the Advanced Analytics Piping model, study of a mathematical model of Advanced Analytics Piping for which industrialization was launched and, finally, viii) Ad hoc Digital Initiatives for specific operational Projects.

The Subsidiaries NextChem and KT have also launched the following projects: a) Setting up of the Innovative and Advanced Mechatronics laboratory "GreenMech Lab", at NextChem's Rome headquarters, for the analysis and development of specific technological components to improve the offer, in terms of products and services, in the field of energy transition; b) Creation of collaboration solutions for NextChem and its subsidiaries, with the introduction of standards for document classification with a view to the increasing implementation of Information protection & Data loss prevention; c) Setting up of the laboratory for the R&D "Mewlife" project and its connection to the plants for data collection and analysis and, finally, d) Digitization of access and data collection from the pilot plants located at the Chieti Technology Park.

As part of the Business Intelligence initiatives on the PowerBI platform, the infrastructure of the same name was moved to a new architecture, completely on the cloud, in order to further increase its security and ensure its constant updating to state of the art, thus being able to take prompt advantage of the release of new Microsoft features and, lastly, have a single access point for paginated reports and PowerBI dashboards. The following have also been released: i) LEAVE REQUEST MONITORING Dashboard, to support HR activities in monitoring the residual holiday entitlement; b) TENDER DB detail report, to support analysis of the bidding history/project balances; and iii) VENDOR OUTSTANDING, with the provision of dashboards for the monitoring of vendor inventory deadlines. Finally, PROCUREMENT BID reporting is being developed to support tenders.

Still with reference to initiatives in support of operational activities and sites, worthy of note is the gradual extension of the adoption of Smart Helmets for Remote Assistance, the use of laser scanning technologies for surveying - applied as part of the revamping project in Nigeria - and, lastly, the finalization of the contract and the start-up of works for Internet connectivity on Optic Fiber technology with TIM Sparkle.

The Function was also involved in the start-up of the Amur GCC, Kingisepp 2, Stavrolen and APOC sites in Al Jubail - on temporary infrastructure - and Gemlik Turkey, where the first advanced webcam system allowing Live Streaming, Time Lapse and comparison of photographic images of the site with the BIM360 3D model was activated.

The field Mechanical Completion system was released at the Haor site, enabling inspection work orders and paperless construction certificate generation via mobile devices synchronized with corporate systems.

The Compliance Dashboard has also been extended to all overseas computers to monitor and ensure the application of policies and standards on the devices used. The enrollment of all foreign company telephones on the Microsoft Intune Mobile Management platform continues and the centralized management service for all foreign network devices will soon be activated.

Finally, the start of the rollout process will make it possible to consider as complete the integration into the corporate systems of the subsidiary MyReplast Industries S.r.l., in line with Group standards.

With regard to Facility and General Services activities, the process of revising processes continues with a view to energy efficiency and digitalization. We also highlight the refurbishment of office space as part of the "fluid workstations" project and the launch of a pilot scheme for a "shared canteen" at the Rome office in Via di Vannina - to be extended to other Group offices - which will enable employees to use canteen services at a number of affiliated sites.

As part of the Group's broader sustainability project and, in particular, green mobility, worthy of note are the drafting of the new home-work travel plan and the finalization of a new car list for long-term rental, which envisages implementation of electric or hybrid vehicles. Finally, the feasibility of installing electric recharging stations at the company's car park is currently being assessed.

SECURITY

Under the general Group security policies, support and direction was constantly provided to the various managerial and operating company functions in terms both of the general Corporate Governance system and the management of “critical” and/or potentially “critical” situations; The socio-political and economic conditions in the Group’s countries of interest were continuously monitored and contacts reported back periodically. Finally, information was provided to seconded and mission personnel in relation to the pandemic and the requirements issued in response by authorities.

With particular reference to the projects and bids underway, the activities of the Function were articulated, in the various areas of reference, also in support of the HSE function, for the management of pandemic-related prophylaxis activities.

The state of emergency and the continuation of the pandemic have effectively multiplied the attempts of fraud and external access to the system and to Company networks, amplifying the exposure to risk. For this reason, aspects of cyber security continued to be subject to constant attention and, with the close cooperation and support of information technology experts, the analysis and survey of cyber attacks occurring outside the Company continued. The results of this survey and the relative analyses - together with the company's detecting systems and structures and the indications received from the bodies in charge of information security and control of cyber crimes - have made it possible to identify and take preventive action on possible system vulnerabilities. In addition to these measures, existing training initiatives were further intensified, with the provision of thematic modules on an e-learning platform, which can be used by the Group's entire workforce, and an ad hoc information and awareness campaign was launched to remind employees of the need to comply scrupulously with the provisions of the Group's document system regarding the use of IT equipment and systems.

Moreover, with a view to continuous improvement and also in the light of the results of the above activities, the revision and updating of the systems and processes for protecting information continued, with the implementation of 8 Assessments such as, by way of example, Azure Well-Architected Security Assessment, Office 365 Security Optimization Assessment and various Network Penetration Tests (External, Internal, Wireless and Web Applications).

The SOC (Security Operation Center) service was also renewed, extended and upgraded for monitoring risks and internal and external attacks on the network and systems. It receives reports of potentially risky events from employees and deals with the management of actual or potential vulnerabilities of the systems, preparing the consequent corrective measures. In this regard, it should be noted that this service proved effective in detecting and blocking an average of 3,000 e-mails per day containing malware or phishing attempts and 45 attacks against the Group's information structure, including those targeting the DNS (Domain Name Server).

10. Organization & Quality

ORGANIZATION

During the year under review, organizational measures were defined and developed to ensure a rapid and effective response to market and business developments, the related alignment of the organizational structure and operating models, as well as the maximization of operational effectiveness and efficiency.

The financial year was characterized, in particular, by organizational interventions in support of the Company's strategy regarding energy transition and digitalization. In fact, solutions have been introduced to consolidate Maire Tecnimont Group's leadership in the field of energy transformation and, at the same time, organizational and digital solutions have been developed to allow the operational structure to execute projects and processes in an increasingly efficient way.

With regard to organizational initiatives targeted at supporting the energy transition path and the corporate sustainability strategy, with particular reference to the NextChem Group, the following should be noted:

- the strengthening of the Function of the Chief Technology & Innovation Officer, with the arrival and appointment of the new Manager in charge of the innovation and technology transfer process, identifies new technologies and opportunities of potential interest to NextChem and Maire Tecnimont Group, and implements and optimizes the executive strategy for research projects and initiatives within remit. This Manager is also responsible for R&D activities for NextChem and its subsidiaries, regarding technologies of strategic interest to the Group;
- the consolidation of the Open Innovation model within the organization, developing and managing, in an innovative way, the network of relationships with third parties (e.g. start-ups), in order to maximize the potential synergies arising from collaborations, including in an international perspective;
- the finalization of an integrated model for innovation governance through: I) a Strategic Committee for Innovation at Parent Company level, to support the assessment of opportunities and decisions with significant value and impact on the Group in the field of technological innovation and business transformation through digital innovation and work processes; II) an Operational Committee for Technological Innovation, an advisory body at the service of the Innovation Board in the field of Technological Innovation, which connects the R&D activities of all the subsidiaries of the Group, monitors the progress of innovation initiatives and ensures the mutual exchange of know-how; III) an Operational working group at subsidiary level, to define objectives and priorities related to the new technologies and opportunities identified, taking into account the technological, economic and financial aspects, to be submitted to the Innovation Technology Committee for subsequent assessment.
- the oversight of initiatives in the field of hydrogen, with the arrival and appointment of the Hydrogen Vice President to head a new business unit dedicated to Hydrogen, responsible for contributing to the development of the related business within the Group's energy transition and, in particular, to the value chain linked to the hydrogen economy by planning and coordinating the relevant business activities. This Hydrogen Vice President is also responsible for monitoring emerging technologies necessary for the growth of the reference business, including through the development of partnerships and alliances enabling the co-development of new solutions. The establishment of a dedicated coordination body is also being finalized, with the aim of supporting the development of the Group's strategy and of maximizing potential synergies between the subsidiaries in this area;

- the formalization of the new organizational structure of MyReplast Industries S.r.l., dedicated to recycling plastic waste into top quality materials that can be used instead of virgin plastic, all of which attests to the feasibility of a new and increasingly sustainable circular economy and which will represent the benchmark model for the construction of plants of this type.

Further organizational and digital initiatives and solutions aimed at increasingly efficient project execution are also worthy of note.

With regard to the Operating Companies, we note the evolution of the organizational structure of MST S.p.A. (formerly MST S.r.l.), following the merger by incorporation of Neosia S.p.A. into M.S.T. S.r.l. This initiative is aimed at i) rationalizing industrial and commercial activities, reducing the corporate chain of control of a part of the wider Green Energy Business Unit of the Maire Tecnimont Group and, specifically, ii) strengthening the business unit engaged in maintenance services, facility management, provision of general services related to temporary site facilities and design, and engineering and construction of infrastructure works, in order to propose integrated decarbonization solutions to the public and private sectors. The corporate restructuring is targeted, therefore, at achieving a more effective and efficient business management model, as well as producing savings in both economic and management terms through the containment of structural costs.

With regard to the subsidiary Tecnimont, the following is noted:

i) in the framework of strengthening the Region model, the creation of the new India Initiatives Function, reporting directly to the Chief Executive Officer, to maximize the effectiveness of project management in India for Indian clients;

ii) the creation of intradepartmental pools - with specific competences - within the Engineering, Technology and Research Department & Development, aimed at responding even more effectively to requests for project development and design, and to strengthen further the engineering aspects related to the environment and the development of Environmental/Social Management initiatives, included with a focus on funded projects;

iii) the creation of the Subcontracts Administration Contractual Management group - within the Material Supply Function & Subcontracts Management - to support the management of the "critical" contractual relationship with subcontractors for existing supply contracts and with project teams in the resolution of issues relating to compliance with contractual terms by subcontractors, supporting, if necessary, negotiation, review and finalization of the related documents;

(iv) under the Digital Transformation Program:

- evolution (within ICT & General Services) of the Core Services Function into Digital Delivery, responsible for conducting technical feasibility analysis of digital initiatives and their implementation, contributing to the definition of priorities for the Group's portfolio of internal and external digital initiatives - in accordance with business needs and in collaboration with the competent Functions of the Parent Company - as well as supporting the Procurement Department in the identification and selection of suppliers;
- the creation (within the Commercial Department & Business Development) of the Commercial Data Analytics and Predictive Models Function, for the analysis and preparation of predictive models to support commercial strategies, the updating of digital tools and algorithms, as well as related developments in the area of Advanced Analytics.

Finally, with particular reference to TCMPL, the establishment of the new India EPC Projects business unit - made up of groups with specific skills and supported by multidisciplinary teams - to strengthen the management of Indian projects during their entire life cycle, also enhancing the development of In-Country Value.

As a result, and in line with the significant growth in business in the region of reference, a general review of the organizational structure of the Russian subsidiary MT Russia OOO was also carried out.

The Fast Forward program, which aims to develop selected business procedures through process improvement and the involvement and use of multidisciplinary teams, supported by technical experts, with an agile approach that optimizes execution and improves performance, organization and competitiveness on the market. Specifically, this program involved the subsidiary KT, with four streams, respectively in the areas of Project Execution, Digital Engineering Processes, Supply Chain & Vendors Documents and Planning Workfront Definition, which have already brought the first results to the relative Steering.

A similar program was launched in MT Russia OOO, with a particular focus on Business Development, a global-local approach, Supply Chain Excellence with enhancement of In-Country Value (ICV) and review of the production model, also in terms of the mix of local and non-local skills.

Furthermore, the ICV program also proceeds apace for the constant improvement of knowledge of the local context at global level, the assessment of socio-economic impacts, the efficiency of the relationship with the main suppliers, as well as the optimization of local governance from an ICV perspective. Specifically, the collaboration between the Sales and Purchasing Functions has been strengthened from an organizational point of view and through the digital lever, thanks to the release of the new module dedicated to Category Management. Indeed, in collaboration with the Sales Department, on the basis of past results and market analysis of bids, local content targets were defined in terms of supplies and workforce for the execution of projects and the identification of purchasing opportunities, achieving an effective synergy between the action of Category Management and the various geographical areas where the Group operates.

This new functional integration makes it possible to estimate, beginning from the business plan, the quantities of materials to be purchased by product category and geography. The analyses carried out thus enable new supply chain strategies, including: i) identification of the quantities of materials to be purchased locally; ii) prior anticipation of Vendor Scouting requirements for the regions of interest to the Group and, lastly, iii) adaptation of the staffing of the local Supply Chain team to avoid any overload and/or delays in performances.

SYSTEM QUALITY

During the year under review, the Department once again guaranteed its support to the activities of revision and updating of the body of documents in force - for the definition of common operating guidelines and guidelines at Group level - also in terms of increasing uniformity and optimization of processes and operating methods. The evolution of the procedural system has developed in line with the organizational strategy, articulated along two main lines, namely supporting the Group in the implementation of solutions to consolidate leadership in the energy transformation and developing organizational and digital solutions to enable the operations workforce to execute projects in an increasingly efficient manner.

During 2021, NextChem obtained certification of compliance of its Quality Management System with ISO 9001:2015 international standard.

Moreover, following the incorporation of Neosia into MST, the ISO 9001 recertification process of MST S.p.A. (MST) was completed, with extension of the scope of application to the infrastructure and civil works sector.

The following compliance certifications have also been renewed and/or maintained: i) Quality Management System (ISO 9001 and ISO/TS 29001, where applicable) in the subsidiaries Tecnimont, Tecnimont Private Limited, TPI, KT, Stamicarbon, Neosia Renewables S.p.A., and MyReplast Industries and ii) Information Security Management System (ISO/IEC 27001) in the companies Maire Tecnimont, Tecnimont and KT.

In addition, the current SOA (Italy) and/or SRO (Russia) certification was renewed.

In collaboration with the Internal Audit Department, an assessment of the company MyReplast Industries was carried out in order to verify the consistency/applicability of the Group's document system to this specific industrial entity.

Finally, it is worth mentioning the completion of digitization of the process of managing Lessons Learned at Group level, which exceeded 900 instances dealt with, transforming them into interventions at process level.

GROUP BUSINESS SERVICES

In the current financial year, the Group Business Services Function was set up within Group Organization, ICT & System Quality. Within its field of competence, this Function carried out analysis, optimization, implementation and management of selected services for Functions and Projects such as Group Vendors Management.

It is worth noting the launch of the three-year VPE (Vendor Performance Evaluation) program, which, in addition to supplier scoring, has produced a new methodology that makes it possible to extend qualifications "by performance", to limit supply risks and guarantee better visibility of supplier competencies at Group level, thereby reducing qualification times and simplifying the process of issuing purchase orders.

A solution dedicated to the management of metal structural works has also been released in the Supply Chain Digitalization area, allowing the supplier direct access to an integrated collaborative platform (called End to End Material Tracking) to provide constantly updated information on the progress of supplies and shipments. This method enables digital control processes to be applied, for accounting purposes, to the calculation of on-site arrival time of materials and to cost control.

In addition, greater purchasing efficiency has been achieved in the transport of materials to worksites, leveraging a state-of-the-art technological platform that enables the best logistical solution to be identified from among the various ones available for each route and each shipment.

Finally, within the framework of the MOU signed with Leonardo, worthy of attention are the analysis and definition of a solution for the tracking and geolocation of materials located on site and currently being tested.

GROUP CATEGORY MANAGEMENT & SUPPLY EXCELLENCE

2021 was characterized by the consolidation of the Function in terms of organization, procedures, processes and systems in order to promote, in synergic collaboration with the other Functions involved, the optimization of business performance in terms of the Supply Chain, with reference to the entire EPC cycle.

The Group also continued its "In-Country Value" project and launched a "Maire Tecnimont UP - supporting SMEs" strand to support the growth of strategic suppliers belonging to the Group's supply chain in Italy, in terms of technological content and growth potential. The initiative included a series of activities to facilitate access to credit, support internationalization processes and strengthen training to encourage sustainable innovation, through a growth and development plan for strategic SMEs that comprises coaching and training initiatives in the fields of co-engineering, product and process innovation, project management, credit management, digitalization, and finalizing strategic partnerships in foreign markets.

The Category Management & Supply Excellence Department introduced a Category Management module as part of the Group's ongoing digital transformation process, which exploits inter-departmental collaboration to generate predictive analysis of future purchases according to the Group's typical supply families and project types. A new three-year Vendor Performance program was also launched, targeted at introducing supplier performance evaluations and involving over 250 vendors with 850 purchase orders processed. This will make it possible to minimize supply risks and obtain better overall visibility of supplier skills at Group level, encouraging the extension of "by performance" qualifications with a further reduction in the current time and manhour burden by simplifying the process of issuing purchase orders.

It is also worth mentioning that, during the reporting period, there was a fruitful cross-functional collaboration between Engineering and Supply Chain in the Category Management team, thanks to which 59 initiatives were completed, involving all purchasing disciplines and enabling optimization in terms of times and costs, as well as an increase in the quality of the results obtained. Finally, it should be noted that a standard methodology for the optimization of economics resulting from Category Management was prepared. As for the coming months, in addition to the activities described above, the team will extend the Category Management approach to the energy transition business, bringing together the expertise developed in the conventional business.

In conjunction with the Sustainability Reporting and Sustainability Communication Functions, the Function participates in the task force dedicated to a program to reduce CO_2 emissions at Group level, making its own contribution in terms of emissions due to the production of project materials, relating to packaging and, lastly, attributable to the related logistics.

In line with previous years, support was guaranteed for the Proposal and Cost Estimate phases of commercial initiatives and new projects, digitizing the relative Project Vendor Lists. In line with the Group's guidelines and the growing "local content" requirements of clients, numerous scouting initiatives in support of local markets were also managed.

Finally, regular supplier management activities, anti-terrorism compliance checks and qualification process supervision continued in compliance with the Group’s updated PRG-500 procedure.

11. Industrial Relations

Also in 2021, the Corporate Management of the Parent Company and its subsidiaries maintained concrete relations with trade union organizations and workers' representatives, monitoring the evolution of the pandemic crisis and successfully converging on the need to ensure continuity in production.

In January 2021, in particular, the Corporate Departments of the companies Neosia S.p.A. and MST S.r.l. concluded the merger by incorporation process, initiated in the second half of 2020, with the transformation of the incorporating company MST S.r.l. into a joint-stock company.

In addition, in the first half of 2021, MST’s corporate management team, the unitary union representatives, and Rome's metalworking sector trade unions signed a supplementary contract to introduce regulations already applied to all Italian Group companies.

As part of the corporate rationalization project, the NextChem Group carried out a process of corporate, with the constant involvement of Company Management and trade union representatives, which concluded with the merger of its subsidiaries MyReplast S.r.l. and Green Compound S.r.l and a merger by incorporation between NextChem and its subsidiary Bio-P. Both operations ended with the seamless transfer of the workers involved.

The continued analysis to introduce the BE ADAPTIVE! program to some Group countries led to the adoption of the relative Regulation, with appropriate adjustments made on the basis of local legislation in India and the Netherlands. A prior profitable trade union discussion also took place with the Work Council.

Within the scope of the Group's broader Sustainability Plan, Maire Tecnimont Corporate Management has achieved the objective, in terms of "People Care", of aligning the employee insurance coverage in place at the various Italian and overseas companies. Moreover, recognizing the need to identify new measures to promote the reconciliation of care, life and work needs, which favor, in particular, the development of parenting skills and the sharing of responsibilities and childcare burdens in full respect of inclusivity, and pursuant to Law No. 162/2021 covering equal opportunities between men and women in the workplace, in December the Corporate Management of the Italian companies of the Group proposed to the Trade Union Representative Body (RSA) of the Executives and the General Workers’ Representative Body (RSU) of the main Italian companies to enter into an agreement with the aim of effectively supporting the use of parental leave by new mothers and fathers.

Finally, in the area of training, agreements were signed with the trade unions and the General Workers’ Representative Body (RSU) by management of the main Group companies, making it possible to submit an application for a contribution to the Fondo Nuove Competenze (New Skills Fund) of the Italian National Agency for Active Labour Policies (ANPAL).

12. Health and safety

The Maire Tecnimont Group is committed daily to promoting workplace safety, environmental protection and individual wellbeing. We pay constant attention to creating and maintaining a positive work environment, in which people can work safely, be aware of residual risks and environmental impacts that their work may entail, have the opportunity to cooperate and share work and personal experiences, and grow professionally together with their colleagues.

For Maire Tecnimont Group, people have a distinctive value. For this reason, risks to the health and safety of employees in offices and construction sites are subject to constant monitoring and mitigation measures.

Individual safety and protection are thus not just a priority, but a fundamental value that each of us puts into practice in his or her daily activities, day after day. We are committed to increasing the engagement of our colleagues, clients and subcontractors, because HSE is a value in which all of us need to believe and with which we must identify.

The Group – which strives to prevent accidents and mitigate its impacts on the ecosystem – is thus committed to providing working environments, services and industrial facilities that satisfy applicable legal requirements and the highest health, safety and environment standards, by promoting a "safe workplace" and environmental protection, throughout all areas of its operations and all stages of execution of a project, at both its offices and construction sites.

In order to best achieve these goals, we have designed and set up a Maire Tecnimont Group Health, Safety and Environment Multi-Site management system, complying with the ISO 14001 and ISO 45001 standards, considering a global vision and centralized management necessary to achieve excellence.

The HSE Policy lays down the principles, goals, targets, roles, responsibilities and management criteria essential to managing HSE issues. These goals and targets are circulated to Group companies by the top management and pursued with the involvement of all personnel in each activity during the engineering, procurement, construction and commissioning stages of our projects. Constant, intensive monitoring and periodic audits within the organization are conducted by internal HSE auditors and certified external entities in order to ensure actual compliance with HSE obligations.

The Maire Tecnimont Group considers its employees as a strategic resource and therefore ensures the respecting of their rights, supporting professional and personal development in all environments. Training is essential to creating value for our stakeholders and to constantly developing the professional skills and abilities of all of the Group's employees. Intensive training programs are planned which include specific courses to improve their knowledge of health, safety and environment issues, personalized to suit each employee's role and responsibilities. Training is also key to preventing accidents at construction sites.

In the past three years, over 5.2 million hours have been dedicated to HSE training courses. The ratio of HSE training hours to hours worked on construction sites was 2.45% in 2019, 2.91% in 2020 and 2.78% in 2021. This has developed well over the three-year period, peaking in 2020 with the extensive information and awareness campaign to reinforce the policies and conduct to be adopted in the fight against COVID-19.

Regarding office and site personnel of the entire Maire Tecnimont Group, the average training hours per employee on topics of HSE, Social Accountability and Project Quality were 11.9 hours in 2019, 7.3 hours in 2020 and 11.6 hours in 2021. The increase in 2021, in terms of hours per employee, reflects the Group's ongoing commitments to HSE training and awareness activities. All workers of subcontractors working on the Group's construction sites also receive training on health, safety, environmental and human rights issues.

Maire Tecnimont Group HSE results are significant and indicative not only of the adoption of correct methodologies and compliance with the requirements of international laws and standards, but also of the awareness and involvement of all those who take part in our activities.

Our commitment is most sharply focused on this area: the challenge is to "humanize" HSE. Within this scope, in 2018 we launched a four-year plan to boost HSE awareness within the Maire Tecnimont Group: "Safethink HSE Awareness Program".

The Program breaks down into a series of initiatives, all focused on this singular objective, applying a multi-stakeholder approach. Since 2019 we have introduced and developed a range of activities, mainly the challenging objectives to create the innovative "Safethink" brand to underlie a new shared HSE culture and identity and the communication campaign of the same name. After these initial program launch activities, the Maire Tecnimont Group is committed to reinforcing this culture through an ever-deeper humanization program that promotes the engagement of all employees and stakeholders and ensures that the new HSE vision is applied by each of us in all of our activities. Despite the critical situation arising in 2020, we responded with complete resilience, continuing our journey by adapting and tailoring our objectives to the emergency situation. Not only did our activities thus never stop, but we indeed had to step them up to maximize the focus on prevention and protection of individuals.

HEADQUARTERS PERFORMANCE

The Hydrocarbons business unit, at Group headquarters, worked a total of over 24.2 million hours in the last three years. Including branches, the hours worked were 8,063,986 in 2019, 8,151,755 in 2020 and 8,021,693 in 2021.

Injuries (commute events are not included) recorded were four in 2019 (with 116 days lost), zero in 2020 and 2021. According to the OHSA, the Lost Time Injury Rate (LTIR)[1] declined in the three reporting years, coming to 0.099 in 2019, 0 in 2020 and 0 in 2021. The same decline was also seen at the level of the Total Recordable Injury Rate indicator according to the OHSA, coming to 0.149 in 2019, 0 in 2020 and 0 in 2021.[2]

In Italy, as per national legislative provisions, commuting accidents away from company sites are also recorded. Over the past three years, commuting accidents for the Group's Italian companies were 9 in 2019, 3 in 2020 and 5 in 2021.

The Green Energy business worked a total of over 0.49 million office hours in the last three years. In particular, office working hours numbered 105,161 in 2019, 198,129 in 2020 and 191,171 in 2021.

No injuries were recorded in 2019, one injury was recorded in 2020, with 53 lost working days, and in 2021 no injuries were recorded. The Lost Time Injury Rate (LTIR) index, according to OHSA, was 0 in 2019, 0 in 2020 and 0 in 2021. The same trend was seen for Total Recordable Injury Rate indicator, according to the OHSA.

In the past three years, there have been no commuting accidents for the Green Energy business unit.

SITE PERFORMANCE

For the Hydrocarbons business unit, the Group adopts the main performance indicators of US Occupational Safety and Health Administration (OSHA) and International Association of Oil & Gas Producers (IOGP) standards for monitoring, identifying improvement areas and promoting a committed approach to workplace HSE.

Over the last three years, on-site work hours of the Hydrocarbons business unit of Maire Tecnimont numbered over **195 million**.

The following table presents the main safety indicators for the Maire Tecnimont Group on the basis of the IOGP criteria.

Safety indicators for Hydrocarbons BU according to IOGP			
	2019	2020	2021
Site hours worked (employees+subcontractors) - mln	103.9	38.7	53
Lost time injury rate - LTIR[3]	0.096	0	0.038
Total recordable injury rate - TRIR [4]	0.317	0.077	0.245

[1] *Lost Time Injury Rate (LTIR) is the number of injuries resulting in an absence from work of at least one day, divided by the hours worked in the year multiplied by 200,000. The LTIF indicator considers fatal accidents and injuries with lost days.*

[2] *Total Recordable Injury Rate (TRIR) is the total number of injuries recorded, divided by hours worked in the year multiplied by 200,000. The TRIR indicator considers: fatal accidents, injuries with lost work days, events limiting working activity, events requiring medical care.*

3 Lost Time Injury Rate (LTIR) is the number of injuries resulting in an absence from work of at least one day, divided by the hours worked in the year multiplied by one million. The LTIF indicator considers fatal accidents and injuries with lost days.

4 Total Recordable Injury Rate (TRIR) is the total number of injuries recorded, divided by hours worked in the year multiplied by one million. The TRIR indicator considers: fatal accidents, injuries with lost work days, events limiting working activity, events requiring medical care.

The values and trends established by these indicators are periodically compared with international benchmarks, such as those provided annually by IOGP for EPC (Engineering Procurement & Construction) contractors.

The IOGP figures for 2021 are not yet available (as the benchmark figures will be published in Q2 2022) and the Group will therefore maintain the same 2020 benchmark figures also for 2021.

The analysis of the trends in recent years bears out the commitment to excellence in accident prevention within the Group: our values remain consistently well below the IOGP benchmarks, with a constant decline since 2015.

The Group's strong focus on health and safety issues is an aspect documented by an average injury rate (LTIR) constantly below the industry average. In 2021, if the same reference data are kept for 2021 as in 2020, the LTIR indicator is three times lower than the benchmark, while the TRIR is 2 times lower than the benchmark.

The Green Energy[5] business worked a total of over 2.1 million hours in the last three years. Site working hours, including employees and subcontractors, totaled over 1.501 million in 2019, over 0.45 million in 2020 and over 0.15 million in 2021.

Reportable accidents calculated per 1 million hours worked were as follows for the Accident Frequency Index (INAIL) and per 1,000 hours worked for the accidents gravity index (UNI: 7249).

- The Lost Time Injury Frequency index[6] was 6.66 in 2019, 4.39 in 2020 and 26.46 in 2021;
- The Injury Severity Index[7] was 0.353 in 2019, 0.377 in 2020 and 0.457[8] in 2021.

In accordance with Article 5, paragraph 3, letter b, of Legislative Decree 254/2016, the Group prepared a consolidated non-financial statement as a separate report; pursuant to Articles 3 and 4 of Legislative Decree 254/2016, the 2021 Sustainability Report, published on the company website at www.mairetecnimont.it., in the "Investors" section, constitutes the Non-Financial Statement, which should be consulted for additional details regarding health and safety activities.

13. Innovation and Research & Development

Innovation has always been in our DNA and our Group carries it out on many fronts, often interconnected. Our investments in innovation are represented every year by thousands of man-hours spent on setting up plant technologies, on the optimization of EPC, in the development of patents, in digitalization, in many international research projects, some of which we are also coordinators and responsible for the construction of pilot plants.

Technological advantage is considered a key strategic asset for the Group, mainly advancing its innovation strategy and protecting the portfolio of developed patents and technologies.

In addition, the Maire Tecnimont Group relies on its wealth of intellectual property and technological expertise to develop new commercial projects and new alliances regarding technologies and licensees.

The Maire Tecnimont Group has a portfolio of over 1,850 patents, mainly in the urea and fertilizer segments, among others.

Patents and other intellectual property rights concerning the Group products and services, including the commercial brands, are a key asset for the Group's positioning and success.

5 The figures do not include those for MyReplast and Green Compound plants

6 The Lost Time Injury Frequency index is the number of accidents with loss of working days (fatal events + events causing the loss of working days + events work activity limitations + events requiring medical treatment) / hours worked x 1 million. The TRIR indicator considers: fatal accidents, injuries with lost work days, events limiting working activity, events requiring medical care.

7 The Injury Severity Index is the total number of lost working days divided by hours worked x 1000. The indicator considers the lost working days following accidents. The gravity index is defined as per the OSHA Forms 300 method.

8 There were also 114 days lost in 2020 due to recovery from an injury that occurred in FY 2019.

Maire Tecnimont has invested approx. Euro 35 million over the last five years in the Green Acceleration project, in innovation projects, also through targeted start-ups and partnerships and creating a portfolio of technologies which optimally respond to the new demands of the energy and chemicals industry revolution.

Innovation is also one of the Group's main competitive advantages. We therefore constantly improve our Research and Development operations and our portfolio of innovative proprietary technologies in order to develop our position as a supplier of technology for the refinery, energy, oil&gas and petrochemical sectors. We develop a certain number of innovation projects each year and actively cooperate with research centers and industrial partners to continuously improve the overall performance of our technologies.

The Maire Tecnimont Group has a long history of collaboration with leading universities, technology suppliers, research centers and commercial partners. Over recent years, the Maire Tecnimont Group has extended its collaboration with leading Italian and overseas universities by developing research projects and exchanging opinions and ideas, building in this way a solid bridge between the academic and industrial worlds.

The long-standing collaboration between Maire Tecnimont and the Milan Polytechnic was further strengthened through partnerships on research projects and the funding of an "Engineering and chemical projects management" chair, beginning in 2018 for 15 years, in addition to close cooperation in the field of teaching, specialization and the guiding of young people.

In 2019, in a scenario where innovation is a critical success factor, Maire Tecnimont entered into a synergy with LUISS Guido Carli University to create an Open Innovation teaching post, the first of its kind in Europe. In addition, important partnerships are underway with Sapienza in the field of technologies for the energy transition and in the socio-economic area, as well as with the Bio-Medical Campus, in the context of the Master's degree course in Chemical Engineering for Sustainable Development. Other Italian academic partners include the University of Salerno and the University of Messina.

In the international field, since 2018 the Group has undertaken a partnership in Azerbaijan with BHOS (Baku Higher Oil School), providing concrete support for the specialized university course and research support. In India, a collaboration with the National Institute of Technology Karnataka has been underway since 2020 as part of corporate giving activities.

Further collaborations are underway with the Technical University of Eindhoven, the Ecole des Mines in Paris, and Tecnalia, a research center in Spain for the development of membrane reactors for hydrogen production.

Maire Tecnimont, via its subsidiaries NextChem, KT – Kinetics Technologies and Stamicarbon participates, as a coordinator or partner, in numerous research projects. Some of the projects are funded by the EU, while others are funded at the national level. The main projects concern research activities for the production of green hydrogen, CO2 valorization and the introduction of solar energy in processes, valorization of waste streams and use of algal biomass, chemical recycling of plastics and energy saving and reduction of CO2 emissions.

Maire Tecnimont felt a strategic need to adopt an open innovation model that seeks not to confine innovation processes, but to open them up to collaboration through an extended network of actors, leverage external resources, develop new services/products and generate new business ideas and opportunities for the group and system. To this end, the Group has decided to adopt an Open Innovation practice to support the ongoing process of transformation relating to the issues of Open Innovation and Open Green Innovation, to promote and spread a culture of Open Innovation, to keep track of hotbeds and areas of innovation, to coordinate open innovation internal and external to the Group and to enable an innovation ecosystem.

During the year we consolidated some initiatives, in continuity with the work started in 2020, and started new strategic collaborations always with a view to enabling the Open Green Innovation model.

The subsidiary NextChem is working actively and has a portfolio of extremely interesting technologies and projects in the field of green chemistry, the circular economy, biofuels, CO2 capture and recovery and constant research activity relating to important projects of an international scope.

One particular project in which we are highly involved at the Group level relates to the creation of circular districts at sites of national interest, traditional brownfield sites to be converted back to the green economy.

We developed a green circular district model that integrates and includes various technologies for the energy transition, a model that combines the circular economy and decarbonization and that can yield benefits for the environment (reduction of waste disposed of in dumps and by burning and reduction of CO2 emissions), society (new jobs, reskilling) and the economy (knock-on effect, new downstream chains) for a country that, like Italy, has many traditional industrial sites that are now obsolete and require the launch of a decarbonization and green reconversion project.

The circular district model is an industrial symbiosis between plastic waste recycling technologies, use of waste to produce circular chemical products and green hydrogen production. It is particularly suited to the green reconversion of traditional industrial sties, such as refineries and steel plants. A technology platform for the chemical conversion of non-recyclable plastics is used to obtain green chemical products and fuels such as hydrogen, methanol, ethanol and ammonia with a small carbon footprint and with the benefit of increasing the waste recycling rate, preventing waste from being burned or dumped. These are products that Italy imports from abroad, and hence projects of this type yield enormous benefits in economic terms as well, also considering that they enable the creation of downstream chains that currently do not exist and provide a knock-on effect for their communities as well as new jobs. This solution solves Italy's problem with waste exceeding its disposal capacity, above all in the South. This model helps the country reach its decarbonization goals and industry to achieve green innovation.

The Group is investing considerable resources and attention in this project. We view it as fusing together various aspects: our ability to develop and promote synergies between players, our engineering acumen for identifying innovative solutions to complex problems, our ability to devise solutions that are economically sustainable, profitable and attractive to investors, and our ability to execute - a guarantee of excellence in plant design and construction. This project creates a new face for the Maire Tecnimont Group as an enabler of the energy transition.

The transition from fossil fuel energy production to renewable energy production is taking place with increasing speed but will necessarily be gradual, requiring a deep transformation of business models, a process of technological and plant innovation and a new ability to work across chains. The shift from an industry with processes based on fossil raw materials to a green industry that uses feedstocks derived from raw materials of biogenic origin and urban, plastic and biomass waste lies at the heart of the energy transition. The chemical world is evolving rapidly to meet European and global decarbonization targets. The new chemicals industry will be increasingly focused on recycling of waste, biochemistry and electrochemistry, and we have already identified a range of solutions to meet this challenge.

As Maire Tecnimont we had already begun ten years ago to develop projects in new technologies for the energy transition, focusing increasingly on our distinctive abilities, which allow us to be both technological innovations and industrial enablers. We were pioneers of this transformation and Italy was a pioneer of green chemistry; today we have a key role to play in opening up a new industrial cycle to support the energy transition, while creating jobs and long-term industrial value.

The Group is committed to being at the forefront of the digitization of engineering, procurement and construction, as well as supply chain coordination. The Digital Program continues to develop according to two distinct, synergistic processes: 1) Digitalizing core processes by improving the operating models with the application of digital enablers to increase competitiveness by reducing costs to build and operate plants for both MET Group companies and their clients; revising sequences and optimizing timescales to expedite bidding and project execution; and improving productivity and performance in terms of energy efficiency and sustainability. 2) Bringing digital advantages by integrating new digital services for current and prospective clients into the MET Group's value proposition to identify new services that generate value enabled by technology; and improving the client's experience and the positioning of the business for the MET group and assessing new opportunities to improve the generation of in-country value (ICV).

In accordance with Article 5, paragraph 3, letter b, of Legislative Decree 254/2016, the Group prepared a consolidated non-financial statement as a separate report; pursuant to Articles 3 and 4 of Legislative Decree 254/2016, the 2021 Sustainability Report, published on the company website at www.mairetecnimont.it., in the "Investors" section, constitutes the Non-Financial Statement, which should be consulted for additional details regarding Innovation, Research and Development activities.

14. Risks and uncertainties

In this section the main risks and uncertainties concerning the Maire Tecnimont Group and its sectors are outlined. The factors considered by the company risk system regarding the foreseeable future are for this purpose analyzed.

The Maire Tecnimont Group's core operations concern the design and construction of Hydrocarbons sector plant and the design and construction of major works. Additionally, the Group is active in the licensing of patented technology and proprietary know-how to urea producers and in green acceleration initiatives managed by NextChem and its subsidiaries targeting the circular economy through the implementation of mechanical plastics recycling and chemicals recycling.

The Group's internal control and risk management system includes a continuously evolving Risk Management framework integrated in business processes, extended to all operating entities, and aimed at identifying, assessing, managing and monitoring risks according to sector best practices.

BACKLOG RISKS

The consolidated Backlog at December 31, 2021 was Euro 9,488.2 million. The timing of revenue and expected cash flows is subject to uncertainty as unforeseeable events may occur which impact Backlog Orders (such as for example the slowdown of works, the delayed start-up of works or indeed the interruption of works or other events). The Group mitigates this risk through termination/cancellation clauses which ensure adequate reimbursement on the occurrence of such events.

BACKLOG CONCENTRATION RISKS AND DEPENDENCE ON A CURTAILED NUMBER OF MAJOR CONTRACT OR CLIENTS

At December 31, 2021, approx. 71% of Group consolidated revenues related to 13 major contracts, corresponding at the same date to approx. 47% of the Backlog value. Any interruptions or cancellations to even one of the major contracts, subject to applicable legal and contractual remedies, may impact on the Group's results and balance sheet. In addition, the Group works with a contained number of clients. At December 31, 2021, consolidated revenues from the 10 leading clients constituted 64% of total consolidated revenues. In relation to the concentration of the value of the Backlog by Region, reference should be made to the "Backlog by Business Unit and Region" section which indicates that after the major acquisitions in 2021 the highest amount is concentrated in the Middle East (approx. 36.4%), with a simultaneous significant reduction of the concentration in non-EU Europe, essentially Russia, which accounts for approx. 17% of the consolidated value of the backlog at December 31, 2021. One of the key operational guidelines concerns the greater distribution of initiatives among more clients and thereafter the opening up to new markets and clients.

RISKS RELATED TO GROUP SECTOR INVESTMENT

Group markets are cyclical, principally dependent on available investment, which in turn is impacted by: (i) economic growth and (ii) a significant number of economic-financial (e.g. interest rates and the price of oil) and political-social (economic, public spending and infrastructure policies) variables. Therefore, general recessions may impact the Group's results and balance sheet. Due to the nature of such risks, the Group must therefore rely on its event forecasting and management capabilities. In particular, the Group has integrated the risk philosophy into strategic and commercial planning processes through the definition of commercial and risk guidelines and process structuring aimed at selecting and prioritizing initiatives according to country and sector risks, rather than counter-party risks. Consideration of such risks is also guaranteed by strategic goal progress monitoring in terms of portfolio composition and diversification, and risk profile evolution.

RISKS RELATED TO INTERNATIONAL OPERATIONS

The Group is engaged in approx. 45 countries and is therefore exposed to a range of risks, including any restrictions on international trade, market instability, foreign investment restrictions, infrastructural deficiencies, currency movements, currency limitations and controls, regulatory changes, natural catastrophes (e.g. earthquakes and extreme weather events) or other extraordinary events (e.g. wars and acts of terrorism, major raw material or semi-finished product or energy supply interruptions, fires, sabotage, attacks or kidnappings). The Group in addition is subject to the risk of greater operational difficulties in regions featuring high levels of corruption, distance from the markets and the traditional workforce and material procurement sources, and which often are politically and socially difficult and unstable (e.g. the Middle East, Russian Federation, Latin America and Nigeria). In order to mitigate this risk, appropriate insurance and/or coverage for the type of risks at issue to mitigate financial impacts from such instability may be undertaken.

LEGAL AND COMPLIANCE RISKS

This category comprises risks relating to sector or country specific management of legal issues, compliance with legal and regulatory requirements (e.g. taxation, local legislation) and contractual risks in relation to Business Partners. Maire Tecnimont considers the monitoring of the legal aspects of contracts and of counterparty relations of critical importance. Risks include possible cases of internal and external fraud, and, more generally, of non-compliance with procedures and policies designed to regulate company operations.

In light of such factors, Maire Tecnimont adopts a multi-level regulatory risk monitoring, management and mitigation policy through constant collaborative dialogue with counterparties and business units affected by regulatory developments, and full assessment of potential impacts.

RISKS RELATED TO JOINT LIABILITY TO CLIENTS

Group companies execute orders independently or together with other operators through the incorporation (for example) of consortiums in Italy or joint control arrangements overseas. In this latter case, each party under applicable public regulations or general contractual practice are usually jointly liable to the client for the design and construction of the entire works. In the case of damage suffered by a client caused by an associated operator, the Group company involved may be called to replace the damage-causing party and fully compensate the damage caused to the client, subject to the right of regress against the non-compliant associated operator. The right to regress among associated operators is normally governed among the partners through contracts (usually called cross indemnity agreements). Group policy is to conclude agreements/associations with operators of proven sector experience and appropriately verified available capital. This policy has ensured that the assumption of partner obligations by a Group company has not yet been requested as a result of non-fulfilment.

RISKS CONCERNING LIABILITY TO THE CLIENT FOR NON-FULFILMENT OR DAMAGE CAUSED BY SUB-CONTRACTORS OR SUPPLIERS

In executing operations the Group relies on third parties (including sub-contractors) to produce, supply and assemble part of the plant constructed, in addition to suppliers of raw materials, semi-finished products, sub-systems, components and services. The Group's capacity to discharge its obligations to clients is however reliant also on the fulfilment of contractual obligations by sub-contractors and suppliers. In the case of Group sub-contractor or supplier non-fulfilment (even partially), the provision of products and/or services not in line with that agreed or falling short of the required quality or with defects, the Group may incur additional costs due to delays or the need to deliver replacement services or procure equipment or materials at a higher price. In addition, the Group may in turn not fulfil that agreed with the client and be subject to compensation claims, subject to the Group's right to regress from non-compliant sub-contractors and suppliers. However, where the Group is unable to reclaim the entire compensation paid from such parties through its right to regress, the Group results and balance sheet may be impacted. The Group system for the assessment and selection of suppliers, identified on the basis of price, in addition to their technical abilities and capital structure, requires the request and provision of bank performance guarantees from such parties. Group companies are also covered by appropriate insurance policies to meet any particular difficulties.

RISKS RELATED TO ORDER EXECUTION

Almost all of Group consolidated revenues concern long-term contracts, whose settlement (in favor of the Group) is established at the date of the tender or the awarding of contract, particularly for lump sum - turn key contracts. For such contracts, the margins originally estimated by the Group may reduce due to higher costs incurred by the Group during order execution. Where the Group's policies and procedures to identify, monitor and manage costs for order execution do not reflect the duration and complexity of such orders, or are no longer accurate following the occurrence of unforeseeable events, the Group's results and balance sheet may be impacted.

This dimension is critical in the effective assessment of Group core business risks, requiring the definition of tools to identify and monitor contract risks right from the bidding phase, as part of an in-depth risk and opportunity assessment procedure. Once risks have been assumed on the basis of informed decisions by management, constant monitoring is critical in proactively and dynamically managing risk exposure and evolution over time.

The analysis of significant risk dimensions and related risk areas offers management both a detailed (i.e. contract) and portfolio (i.e. total exposure) vision of the risk profile assumed by the Group, as well as exposure limits set by risk containment capacities. Through the use of appropriate risk management tools, the portfolio vision facilitates systematic assessments of the potential risk profile evolution due to certain events or decisions.

The risk management framework, outlined above and subject to ongoing developments, is oriented to supporting decisional and operational processes at every step in the management of initiatives, in order to minimize the occurrence of certain events that might compromise ordinary operations or defined strategic objectives of the Group. For this reason, the framework is integrated into strategic and commercial planning processes, thus incorporating formal consideration of the Group's risk profile and decisions regarding its risk appetite.

IT RISKS

The reliability of the Group's IT systems is critical to achieving its corporate goals. Particular attention is paid to the technology used to protect confidential and proprietary information managed by IT systems. However, both hardware and software products and information contained in corporate IT systems may also be vulnerable to damage or disruption caused by circumstances beyond our immediate control, such as malicious or fraudulent activities by unauthorized third parties accessing confidential information via written or verbal communications, e-mails, faxes, letters, phone, cyber attacks, network or computer failures, or computer viruses. The inability of IT systems to function properly for any reason may compromise operational activities, resulting in reduced performance, significant repair costs, transaction errors, data losses, processing inefficiencies, downtimes, disputes, and negative effects on financial flows and reputation. In order to prevent such risks, the Group's IT systems and related processes have been structured and organized as per Maire Tecnimont's IT policies to prevent both cyber attacks and social engineering fraud. Integrated solutions have been developed for the main areas of focus, including: cloud infrastructure archival; the Enterprise Access Service, which authenticates users via multi-factor and certificate authentication security procedures and blocks and reports access attempts from devices without anti-virus software, devices connecting from untrusted locations and users not complying with company policies; the artificial intelligence based anti-fraud system; open source intelligence tools that search for sensitive corporate information on the dark web and protect domains and users; constant and effective threat management via a 24/7 Security Operations Centre, in order to mitigate viruses, phishing, spamming, spoofing, malicious domains, and so on; periodic IT security assessments in accordance with ISO 27001 guidelines; internal simulated phishing campaigns, using various technologies, such as instant messaging, e-mails and paper documents, in order to identify specific at-risk groups of users and identify training needs; extensive IT security and behavioral training for employees; timely communications to all Group employees as soon as the dedicated threat team identifies new phishing campaigns, potential fraud attacks or new system vulnerabilities; integrated and centralized payments managed directly by headquarters and advanced security policies to manage bank details along the entire value chain.

15. Financial risk management

The Group's principal financial risks stemming from core operations are outlined below:

<u>MARKET RISK</u>

The Group operates within an international environment and is subject to interest rate, exchange rate and price risk. A risk of fluctuating cash flows from core operations therefore follows, which may only partly be mitigated through appropriate policies.

<u>PRICE AND CASH FLOW RISK</u>

Group results may be impacted by raw material, finished product and insurance cost price changes. This risk is mitigated through a precise and timely procurement policy, the use of derivative contracts, and/or in some cases, by charging the client for increases in the price of supplies, where contractually allowed. The Maire Tecnimont Group also seeks to minimize transaction currency risk through derivative contracts.

<u>CURRENCY RISK</u>

The currency used for the consolidated financial statements is the Euro. As stated, the Group operates in an international environment, with part of its receipts and payments made in currencies other than the Euro. A significant amount of projects are quoted in or linked to the US Dollar or Russian Ruble; this factor, together with timing differences between the accrual of revenues and costs in currencies other than the presentation currency and their financial realization, exposes the Group to currency risk (transaction currency risk).

The Maire Tecnimont Group seeks to minimize transaction currency risk through derivative contracts. Group level planning, coordination and management of such operations is carried out by the Finance Department, which monitors the correct correlation between derivative instruments and underlying cash flows and their appropriate representation as per international accounting standards.

The Group furthermore has investments in subsidiaries in countries not belonging to the Eurozone and shareholders' equity changes from local currency movements against the Euro are temporarily recognized to the "translation reserve" shareholders' equity reserve.

<u>INTEREST RATE RISK</u>

Maire Tecnimont Group interest rate risk essentially concerns its variable medium/long-term loans. Variable rate debt interest rate risk not hedged through derivative instruments is however partly mitigated by liquidity remunerated at rates indexed to the same debt parameter (euribor). Any consequent interest rate fluctuations may create similar effects upon cash flows generated from inventories, although in an opposing manner than those produced on cash flows related to debt positions.

The Group also has Interest Rate Swap (IRS) derivatives to hedge the exposure to the risk of variable interest rates on a portion of the loan signed by Maire Tecnimont S.p.A. for Euro 365 million, 80% of which is backed by SACE's Garanzia Italia (Italy Guarantee).

MAIRE TECNIMONT SHARE PRICE CHANGE RISK

The company utilizes derivative instruments to hedge against movements in the Maire Tecnimont share price, in view of the implementation of a buy-back program to satisfy the "Equity Settled" employee plans, as the Group has assigned its capital instruments as additional remuneration for services received (employment). Maire Tecnimont S.p.A therefore subscribed cash-settled Total Return Equity Swap (TRES) derivative instruments, undertaken to hedge against movements in the Maire Tecnimont share price.

CREDIT RISK

The Group credit risk represents the exposure to potential losses deriving from the non-compliance with obligations by counterparties. This stems from normal operations and is monitored by the operating and financial departments on the basis of set procedures, which establish the methods for quantifying and controlling client risk.

They are managed according to procedures, including credit recovery and dispute management. Presently, there is no significant concentration of credit risk by region or by Client, as the Group operates on geographically diversified markets and through a range of clients and business lines.

Credit risk is represented by the exposure to potential losses deriving from the non-compliance of obligations by buyers, who are almost entirely connected to sovereign states, government bodies, overseas state entities, public administrations or large oil companies. Credit risk is, therefore, essentially linked to country risk.

Receivables were recognized net of write-downs calculated according to counterparty non-compliance risk, based on client reliability (third parties, related parties and public sector clients). For IFRS 9 – Financial Instruments, the impairment requirements are based on an expected credit loss (ECL) model utilizing supporting information, available without unreasonable charges or effort, which includes historic, current and projected figures.

LIQUIDITY RISK

This risk concerns the difficulty in sourcing new funding or access to liquid assets, resulting in the enterprise's failure to satisfy payment commitments, being forced to incur additional funding costs or, in extreme instances, being faced with potential insolvency which may put its going concern at risk.

At the present moment, Maire Tecnimont considers that the good levels of liquidity held and prudent and functional management of the credit lines available are important elements for stability and sufficient to guarantee the resources necessary for operating continuity. The management of liquidity risk is based above all on the strategy of containing debt and maintaining financial equilibrium.

Cash and cash equivalents at December 31, 2021 amounted to Euro 677,100 thousand and compared to December 31, 2020 decreased by Euro 28,227 thousand. However, operating activities in 2021 generated significant cash flow totaling Euro 196,499 thousand and posted a steady improvement from the second quarter of 2020. Liquidity levels ensure short-term financial stability.

The Group also believes that when business recovers - as already seen in part towards the end of 2020 and in 2021 - the effects on production volumes, invoicing and consequently also cash flows will normalize, that within the framework of the pandemic caused a number of clients to defer scheduled payments and also the approval process of works, due to the impossibility to operate normally remotely, also with regards to certain settlement activities under negotiation and finally thanks to the acquisition of major new projects in 2021 with related advances from clients for amounts yet to be collected.

The following table shows the lines of credit available to the Group as of December 31, 2021, broken down by type, distinguishing between amounts granted and used:

Lines of credit granted to and used by the Group as of December 31, 2021			
Description	**Amt. Granted (€)**	**Amt. Used (€)**	**Amt. available**
Account overdraft facilities, revolving facilities and lines of credit	277,803,340	10,000,000	267,803,340
Advances on invoices - Factoring	48.500.00	544,309	47,955,691
M/L loans - Bonds	735,995,662	735,995,662	-
Total	**1,062,299,002**	**746,539,971**	**315,759,031**

In addition, on December 16, 2021 - The Board of Directors of Maire Tecnimont S.p.A. approved the launch of its first Euro Commercial Paper Program to issue one or more non-convertible notes. The ECP Program, which will be placed with selected institutional investors, will be unrated and have a term of three years. The maximum aggregate amount of Notes issued and not redeemed under the ECP shall not exceed, at any time, Euro 150,000,000. The Notes will not be listed on any regulated market, may be denominated in Euro, USD, GBP, CHF or any other currency and the maturity of individual Notes may not be less than one day or more than 364 days from the date of issuance inclusive, to and excluding the maturity date.

The ECP Program will allow the Company to diversify its short-term financing instruments, obtain a wider choice of funding and optimize its debt management in terms of maturity and pricing profile.

FINANCIAL COVENANT RISK

This concerns the possibility that loan contracts include clauses permitting the lending Banks and other lenders to request immediate repayment on the occurrence of certain events, resulting therefore in a liquidity risk.

In 2018, the subsidiary Tecnimont S.p.A. agreed a medium/long-term cash loan for a total amount of Euro 285 million. The operation stipulated the issue of a new medium/long-term cash credit line for Euro 185 million and the increase of the "Revolving Facility" credit line issued in favor of Tecnimont from Euro 50 million to Euro 100 million. The Loan Agreement made it possible to further reduce the applicable margin of the Group's medium to long-term bank debt from 1.95% to 1.70%, extending the repayment period from March 2022 to June 30, 2023, and remodeling the repayment plan. The Loan Agreement thus has a duration of 5 years, with repayment beginning in June 2020 and the last instalment due on June 30, 2023. During 2021, repayments were made for a total principal amount of Euro 30 million.

The loan includes covenants in line with normal business practice for such operations; specifically, the loan's financial covenants concern the ratio between the net financial position and net equity, as well as between the net financial position and EBITDA on a half-yearly basis, with next measurement based on the FY 2021 figures.

In 2019, Maire Tecnimont made a further commitment to its Green Acceleration project, launched in 2018, by taking out a "ESG Linked Schuldschein Loan" to support Group investments in green technologies. The instrument is divided in two tranches with an average duration of approximately 5 years, total repayment at maturity, and an average rate of approximately 2.3%. The cost of the instrument may also vary – including downwards – in relation to the achievement of the Group's CO2 emission reduction targets.

The bonds are supported by covenants in line with market practice; specifically, the bond covenants regard the maintenance of a ratio between the net financial position and EBITDA on a yearly basis, with the next measurement based on the figures on the FY 2021 figures.

On May 3, 2018, Maire Tecnimont issued 165,000 Non-Convertible Bonds at a price equal to 100% of the nominal value, and with a unitary minimum value of Euro 1,000 (thousand), for a total of Euro 165 million. The Bond interest rate is 2.625% annually, with interest paid on a deferred basis on April 30 and October 31 of each year, from October 31, 2018. The Bonds shall be settled at the nominal value on April 30, 2024 where not previously settled or cancelled.

The Bond issue terms and conditions stipulate incurrence-type covenants regarding the debt level; specifically, the bond financial covenants require the maintenance of a stated net financial position/EBITDA ratio, measured annually and next measurement based on FY 2021 figures.

On July 8, 2020, Maire Tecnimont S.p.A. signed a loan agreement for Euro 365 million, 80% of which was backed by SACE's “Garanzia Italia” (Italy Guarantee), and disbursed by a syndicate of leading Italian financial institutions comprising Banco BPM, Cassa Depositi e Prestiti, Intesa Sanpaolo and Unicredit. The loan will mainly support the working capital needs of the parent company Maire Tecnimont and its main operating companies in Italy, in line with the provisions of the Liquidity Decree of April 9, 2020 and will have a total duration of 6 years, of which 2 years grace period and a rate of 1.7% per annum, plus the cost of SACE's Italy Guarantee. The financing, with extremely flexible features, as it can be repaid in whole or in part at any time without additional cost, will contribute to strengthening the group's financial structure to cope with the volatility of the markets caused by Covid 19.

The loan includes covenants in line with normal business practice for such operations; specifically, the loan’s financial covenants concern the ratio between the net financial position and net equity, as well as between the net financial position and EBITDA on a half-yearly basis, with next measurement based on the FY 2021 figures.

Maire Tecnimont is currently not aware of any default situations regarding the above-mentioned covenants. The bond covenants, which regard the maintenance of a ratio between the net financial position and net equity, as well as between the net financial position and EBITDA to be next measured based on FY 2021 figures, have been complied with according to the results currently available.

RISKS CONCERNING THE GROUP CAPACITY TO OBTAIN AND RETAIN GUARANTEED CREDIT LINES AND BANK GUARANTEES

In the course of operations and, in particular, for participation in tenders, the signing of contracts with operators or receiving advances and payments from such during order execution, the Group is required to issue bank and/or insurance guarantees in favor of operators.

The Group’s capacity to obtain such guarantees from banks and/or insurance companies depends on an assessment of the Group’s financial statements and, in particular, of the Group company involved, from analysis of the order risk, experience and the Group companies competitive positioning within its sector.

A constant stream of information is sent to the national and international banks and insurance companies with which the Group operates and which are involved in supporting the Group with the granting of the aforementioned banking and/or insurance guarantees in connection with projects for which bidding is in progress. In addition to the existing lines of credit, normally financial counterparties are selected and grant dedicated lines of credit after the Group company is awarded the contract.

At the present moment, Maire Tecnimont is satisfied with the level of credit lines available, which are considered sufficient to guarantee the resources necessary for operating continuity.

16. Disputes

Maire Tecnimont Group disputes concern outstanding proceedings relating to ordinary operations of Group companies. A summary of the main positions at December 31, 2021 according to currently available information is presented below.

CIVIL, ADMINISTRATIVE AND ARBITRATION PROCEEDINGS

J&P Avax S.A.

This is an arbitration procedure initiated by Tecnimont in August 2002 against J&P Avax S.A. ("J&P") for compensation for damages suffered following delayed execution of a sub-contract awarded to J&P as part of Tecnimont's construction of a polypropylene production plant in Salonicco, Greece, commissioned by the Greek enterprise Helpe. Following the arbitration award of March 30, 2020, at the beginning of September 2021 the parties signed an agreement under which Avax undertakes to pay Tecnimont the sum of Euro 16,769,553 corresponding to the amount decided by the Arbitration Tribunal, including interest and legal expenses, net of the letters of credit already collected by Tecnimont in eight instalments. Subsequent to the signing of this agreement, all actions before the French Courts and the Court of Athens for the enforcement of the arbitration award ceased.

Municipality of Venice – Manifattura Tabacchi

With subpoena notified on June 5, 2010, the Municipality of Venice summoned the Temporary Consortium comprising Tecnimont (59% mandatee), and four other mandatees (the "ATI"), as designer of the new Venice legal headquarters (ex Manifattura Tabacchi), requesting from the ATI repayment of damages alleged by the Municipality of Venice for the failings and omissions of the executive projects (concerning in particular, the failure to carry out chemical analysis of the soil, structure and plant errors/omissions and the failure undertake archaeological surveys). The damage claim amounted to Euro 16.9 million. In its opening, the ATI strongly contested that alleged by the Municipality of Venice. The trial concluded with the signing of a conciliation agreement on 11/02/2021. With this agreement, Tecnimont has paid, on behalf of ATI, an amount of Euro 1,181,000. Proceedings are still ongoing for the sole apportionment between members of the temporary association of companies of the amount paid.

Tecnimont/TCM FR - STMFC (Société du Terminal Méthanier de Fos Cavaou)

Following the first arbitration proceeding that ended with an award in favor of STS (société en participation constituted by: Sofregaz 1%, Tecnimont 49%, Saipem France 50% (hereinafter "STS")), on June 21, 2017 Fosmax notified STS of a new "Request for ICC Arbitration". plus interest and legal costs. On August 22, 2017, STS filed its "Answer to the Request for Arbitration" terminated by awarding Fosmax the charges as consideration for the entirety of the work performed by third parties in their stead ("en régie"), plus interest and legal costs. Tecnimont filed an application to quash the decision with the French Council of State, which they rejected in the second half of 2021. Tecnimont therefore proceeded to pay Fosmax its share of the principal amount acknowledged in the arbitration award, approximately Euro 16.7 million, while the amount of interest is still being discussed by the parties.

KT – HYL Technologies

On July 22, 2015, an arbitration request was notified by the Client HYL TECHNOLOGIES for alleged serious non-fulfilment by KT in the execution of the EP contract signed with the Client in May 2011. Regarding the Final Award, issued on 28/11/2019, the Court of Arbitration quantified the co-responsibility of the parties in relation to the causes of the accident, acknowledging compensation for HYL equal to approximately Euro 14 million. The notice of appeal against the final arbitration award - with a request for suspension of enforcement and provisional enforceability - was filed by KT on March 16, 2020. Following rejection by the Court of Appeal, the award became enforceable and in November 2021 KT paid HYL the amount established by the Arbitration Panel, but also lodged an appeal with the Court of Cassation to have the Court of Appeal's decision overturned and the award declared null and void.

NAGRP Kuwait

Acquired in July 2010 from Kuwait National Petroleum Company (KNPC). The EPC contract regards the provision of three portions of plant: a new process plant (New AGRP), a steam generation plant (Utilities) and the development of an existing plant (AGRP Revamping). Without any notice and entirely unexpectedly, on May 16, 2016, the Client terminated the contract and which was immediately contested by Tecnimont S.p.A. before the competent judicial courts. Following the resolution Tecnimont in fact commenced a civil procedure requesting the competent judge to accept the illegitimacy of the contract resolution as well as requesting condemnation of the Client for the payment of the contractual price matured to the date of the resolution, to the restitution of the sums received following the enforcement of the bank guarantees and payment for all damages incurred. The Court Technical Consultant announced that the work will be finished by March 2021. Following the opinion put forward by the court-appointed expert, who essentially upheld Tecnimont's claims, KNPC dismissed these viewpoints and submitted new applications for verification by the court-appointed expert. Once the report of the court-appointed expert has been finalized, the case will return to the local court for ruling. Despite these proceedings the Parties began negotiations on the possibility to conclude a settlement agreement which would provide, among the various aspects, that the Client would commit to the payment of the trade payables of the projects which, for such purpose, would be ceded from Tecnimont to the client. At present the negotiations are still ongoing and the company however does not intend to withdraw from the legal action unless a Settlement is agreed with the Client.

Gulf Spic General Trading & Contracting CO W.L.L. (Kuwait)

This is an international arbitration administered by the International Chamber of Commerce (ICC Case No. 25986/AYZ) brought by Gulf Spic against Tecnimont S.p.A. (Tecnimont) pursuant to the arbitration clause contained in Subcontract Agreement 7500038742 dated March 27, 2013, whereby Tecnimont had entrusted Gulf Spic - against payment of the total amount of KWD 13 million - with the performance of certain mechanical works commissioned by the Kuwait National Petroleum Company (KNPC), in the framework of a project for the construction and upgrading of an AGPR (Acid Gas Removal Plant) at the Mina Al-Ahmadi Refinery. The Subcontract Agreement between Tecnimont and Gulf Spic initially provided for completion dates of December 31, 2013 for the commissioning of the Boiler and interconnection with the AGRP Piperack ("PTO 1") and April 30, 2014 for the pre-commissioning of the NAGRP ("PTO 2"). The execution of the contract with Gulf Spic was conditioned from the outset by KNPC's late payments to Tecnimont and Gulf Spic's inability to make concrete progress on the work fronts made available which necessitated an extension of the deadline for completion of both PTO1 and PTO2. Following the souring of relations between the parties, the dispute began in January 2021 with the filing by Gulf Spic of a request for arbitration with the ICC, which demanded that Tecnimont be ordered to pay the following amounts: 1) KWD 14,307,882 for prolongation and disruption costs due to delays in the completion of works caused by acts or omissions allegedly attributable to Tecnimont itself; 2) KWD 19,231,546 as idle cost for a period of time prior to termination of the contract between the parties; 3) KWD 930,914 for the late payment of certain invoices; 4) KWD 34,372 for the costs relating to the issue of additional bank guarantees to secure payments that it allegedly received directly from KNPC; 5) the award of all arbitration costs. On March 29, 2021, Tecnimont filed its reply to the request for arbitration with a counterclaim in which, in addition to the complete rejection of all opposing claims and the payment of all costs for the arbitration proceedings, it demanded that Gulf Spic pay Tecnimont the sum of KWD 500k due for services rendered for the completion of PT01. Tecnimont also reserved the right to submit further questions in the course of the arbitration proceedings. The Arbitration Panel was subsequently constituted and the procedural schedule established, with respect to which Gulf Spic filed its first brief on October 18, 2021. Tecnimont will then file its first brief on 18 February 2022. Gulf Spic's rebuttals will be made on June 3, 2022 and Tecnimont's on September 30, 2022. After a final Gulf Spic closing brief scheduled for October 28, 2022, hearings will be held in late January and early February 2023. The award is not expected until late spring of 2023.

ONGC Petro Additions Limited (India)

This concerns two UNCITRAL arbitration proceedings brought by the consortium comprising Tecnimont S.p.A. and Tecnimont Private Limited against the Indian company ONGC Petro Additions Limited ("OPaL") with regards to two turnkey EPC Contracts (total value of approx. USD 440,000,000.00), regarding respectively the construction by the Consortium of a 340 tons per annum polypropylene plant (PP Project) and two HD/LLD "swing" polyethylene plant, each of 360 tons per annum capacity (PE Project). The PP and PE polyolefin plant are located in Dahej, in the State of Gujarat (India). Both Notices of Arbitration cite the following demands: a) recognition of a "time at large" situation regarding the two projects due to the actions of OPaL; b) the recognition of additional costs incurred and compensation for damage for delays owing to OPaL; c) recognition of and payment for extra works; d) the release of amounts overdue or incorrectly held by OPaL. Arbitration was suspended as the parties attempted to reach a settlement privately. Arbitration was thereafter reinitiated, with Tecnimont S.p.A. and Tecnimont Private Limited filing at the Indian Court a motion for the appointment of the Arbitration Board Chair. The Arbitration Board Chair was appointed, who issued the first procedural order which: i) requires unification of the two arbitration procedures into a single procedure; ii) sets OPaL's jurisdictional claims for a subsequent hearing; iii) set the procedural timeline. Subsequently, the Court was declared as competent to consider the issue and the New Delhi Arbitration Board was assigned the case. At the end of 2017, Tecnimont and Tecnimont Private Limited filed their Statement of Claim. Opal filed on April 2, 2018 its Statement of Defense and Counterclaim. On April 10, 2018 a procedural hearing was held in Singapore. In May 2018, the parties appointed their respective technical experts. On September 27, 2018, the technical experts of the parties filed their respective Expert Reports. On October 1, 2018, Tecnimont and Tecnimont Private Limited filed their Reply and Defense to Counterclaim. On December 24, 2018, OPaL filed its Reply to Defense to Counterclaim. On February 28, 2019, the parties presented their respective Rejoinders. On March 24, 2019, a procedural hearing was held in Singapore in preparation for the relevant hearings. The hearings were held from June 7 to 14, 2019, in New Delhi. The parties filed post-hearing submissions on July 24, 2019, and reply post-hearing submissions on August 14, 2019. The last hearing was held from September 16 to 18 in London. Subsequently, the parties filed submissions on costs on October 4, 2019, and reply submissions on costs on October 14, 2019. On January 6, 2020, the Court of Arbitration issued the final award, accepting the claims of Tecnimont and Tecnimont Private Limited for the delay incurred in completing the project and ordering OPaL to pay the following sums: INR 828,013,043, EUR 5,049,443 and USD 4,977,199 (relating to prolongation costs, withheld amounts and payment of contractual milestones). The court also rejected all OPaL counter-claims and ordered OPaL to pay the legal costs incurred by Tecnimont S.p.A. and Tecnimont Private Limited for a total of: INR 18,866,620, EUR 3,275,000, GBP 450,080, USD 751,070, RUB 152,500 and MYR 3,750. The amounts were collected by Tecnimont S.p.A. and Tecnimont Private Limited, subject to the appeal for cancellation subsequently filed by OPaL before the Delhi High Court. In 2021, OPaL put its position before the Indian court in hearings held on the following days: March 15, 2021, July 15, 2021, September 8, 2021, October 21, 2021, November 29, 2021, and concluded its arguments on January 3, 2022. On March 10, 2022, the date of the next hearing, Tecnimont will begin to present its arguments against annulment of the award. It is expected that the Delhi High Court will issue a decision by the end of 2022.

AL AIN AHLIA/ADCO (United Arab Emirates)

The dispute refers to the EPC contract signed in 2014 between Tecnimont S.p.A. and the client ADCO (Abu Dhabi Company for Onshore Operations Ltd) regarding the construction of the oil pipeline on the Al Dabb'iya site near to Abu Dhabi (United Arab Emirates). Among the various types of pipe used for crude oil distribution, the insulated section supplied by MAN Industries (India) was found, on preparation for laying and welding, to have a contact gap between the non-insulated part and the insulating layers. This delamination issue would have exposed the pipeline to the risk of progressive corrosion, potentially compromising the functionality of the system. Therefore, at the beginning of 2017, the client ordered the full recovering of the insulation for over 100 kilometers of pipeline. In autumn 2017, Tecnimont submitted a claim to the insurance company Al Ain Ahlia Insurance Company (P.S.C.) for the costs of the rehabilitation of the insulation. The client had subscribed to a Construction All Risk (CAR) policy with the insurance company regarding the contract in question in order to cover any damages to the client and its co-insurees, including Tecnimont and all the contract suppliers. Tecnimont's insurance claim quantified damages due to the repair activities carried out by Tecnimont at USD 63,169,349. After several months of unsuccessful attempts to find a common understanding with the insurance company, having revised the arbitration clause, on August 19, 2018, Tecnimont, as claimant, filed a Request for Arbitration at the London Court of International Arbitration (LCIA) for the initiation of arbitration proceedings. The Request for Arbitration referred to an initial claim amount equal to the amount already claimed in October 2017 while reserving the right to increase the claim during the arbitration proceedings in light of further damages. On September 17, 2018, the insurance company filed its Response to Request for Arbitration, denying the relevant insurance coverage under the policy, without, in turn, formulating a counter-claim. In autumn 2018, the Court of Arbitration, constituted by three arbitrators, issued Procedural Order Number 1 with the annexed Procedural Timetable setting the dates for the exchange of Statements of Claim and for the Case Management Meeting between the parties and the Court of Arbitration itself. This meeting was due to define the final procedural steps and to make a decision on whether to not to divide the procedure into two phases, the first considering the policy coverage and relevant technical aspects, the second any award amount. On December 10, 2018 Tecnimont filed its Statement of Claim, providing further arguments regarding the insurance policy's coverage. On January 24, 2019, the insurance company filed a Statement of Defense, fully confirming the positions taken in the Response to Request for Arbitration, restating the exclusion of the insurance coverage, and rejecting any claim by Tecnimont. On February 21, 2019 lodged its Reply to the Statement of Defense filed by the Insurance Company, increasing the amount of its claim to approximately USD 120.9 million. The Case Management Meeting took place on March 25, 2019, following which the proceeding was divided into two phases, the first regarding the coverage of the policy in relation to the damage, and the second on its quantification. Hearings were held in November in order to complete the first phase. On February 3, 2020, the Court of Arbitration issued the partial award for the first phase, acknowledging the coverage of the policy in relation to the damage in favor of Tecnimont. The setting of the procedural calendar for the damage quantification phase has been delayed as a result of the Covid-19 pandemic. In autumn 2020 Tecnimont filed its statement on the amount of the claim, followed in December of that same year by the reply from AL AIN. The Quantum hearings were held in May 2021 and, after the exchange of closing statements/post hearing briefs in August, Tecnimont was awarded USD 17,772,662.03 including interest to which, in January 2022, was added USD 3,240,124.38, plus GBP 272,905.96 by way of arbitration costs.

Yara Sluiskil B.V

The dispute refers to the EPC contract signed in July 2015 between Tecnimont SpA and the customer Yara Sluiskil B.V, a subsidiary of Yara International ASA, for the realization, on a lump-sum turn-key basis, of a new urea granulation fertilizer plant and associated units in Sluiskil, Holland. The complex, with a fully operational production capacity of 2,000 tons per day, uses proprietary technology developed by Yara enabling the production of a particular type of sulphur-enriched urea. Since the beginning of the project, Tecnimont has encountered significant difficulties which have impacted the timely execution of works and led to additional costs and damages. After several months spent in vain trying to find an amicable agreement between the parties, on January 15, 2020, Tecnimont SpA filed its request for arbitration with the International Chamber of Commerce in order to initiate the arbitration proceeding. The request for arbitration reported in the petition, as an initial amount, a provisional value of approximately Euro 49 million. The request for arbitration was made in relation to, inter alia, the following claims: a) acknowledgement and payment of certain extra works; b) acknowledgement of higher costs incurred and compensation for damages incurred due to delays attributable to Yara; c) payment of a portion of the residual contract price. By February 24 last, Yara filed the reply to the request for arbitration, together with the Answer to the Request for Arbitration and Counterclaim. Yara's counterclaim provisionally amounts to approx. Euro 24 million. The parties and the arbitration tribunal formed signed the Terms of Reference of the arbitration procedure in May 2020. On November 29, 2020 Tecnimont filed its Statement of Claim, providing further arguments with regard to the claims made in the Request for Arbitration and increasing the amount sought to approximately Euro 70 million (eq.), not including any additional damages and legal costs. On May 24, 2021, Yara filed the company's Statement of Defense and updated counterclaim provisionally estimated between roughly Euro 23,343,408 and Euro 51,729,448. On November 15, 2021, Tecnimont filed its Reply to Yara Statement of Defense, as well as its Statement of Defense to Counterclaim. With its reply, Tecnimont increased its claim to the equivalent of approximately Euro 81 million. The preliminary hearing is still currently scheduled for May 2022. The arbitration is expected to end in 2023.

ACC Lahoud (ALJV) (United Arab Emirates)

The dispute refers to the EPC contract signed in 2014 between Tecnimont S.p.A. and the client ADCO (Abu Dhabi Company for Onshore Operations Ltd) regarding the construction of the oil pipeline on the Al Dabb'iya site near to Abu Dhabi (United Arab Emirates). In 2015 Tecnimont subcontracted the civil works for the northern and southern areas of the "Central Processing Plant" (CPP) and "Clusters" to the consortium formed by Arabian Construction Company WLL and Lahoud Engineering Company LLC (ALJV), along with an optional portion relating to the electrical and instrumental part of the facility. ALJV's work was initially to be completed in August 2017. Due to the delays accumulated, the date for achieving "Ready for Commissioning" status was extended until July 2018. Despite Tecnimont's constant support, including the supply of additional labor and the progressive reduction of the scope of ALJV's work, in 2019 ALJV once again failed to meet the contractual milestones. Tecnimont and ALJV discussed the responsibility for these delays throughout 2018 and 2019 and when Tecnimont, faced with ALJV's now clear unfitness to complete the work, decided to enforce the bank guarantees in the amount of USD 36 million, that same day, i.e. April 16, 2020 ALJV responded by filing a Request for Arbitration (RFA) with the ICC, seeking compensation of approximately USD 150 million. In particular, clearly seeking to stem the critical situation, ALJV sought: a) payment of the consideration for the work allegedly done in relation to determined progress payment certificates (PPCs: 37, 38 and 39) amounting to USD 27,740,075; b) the issue of the "Ready For Commissioning" certificate; c) payment of the amount contractually retained as security ("Retention Money") of USD 23,084,852; d) reduction of the Performance Bond from 10% to 5% of the value of the subcontracting agreement; e) payment of AED 6,358,334 to defray the costs of maintaining the "overdraft facility" as a result of the delay in payments purportedly due to Tecnimont; g) granting of a complete extension of the deadlines for completing the work; h) payment of damages due to extension of the work, inconvenience and costs of stoppage of certain personnel due to alleged breaches of contractual obligations by Tecnimont; i) payment of USD 4,156,641 for the completion of additional works (extra works requests EWR); j) payment of USD 3,854,485 for the installation of certain materials (embedded PVC sleeves); k) payment of USD 5 million for moral damages and lost profits; l) payment of interest of 5% per annum; and m) payment of the costs of arbitration. On June 26, 2020 Tecnimont filed its Answer, seeking the rejection of all ALJV's claims and compensation from ALJV for damages of a provisional amount of USD 120 million, plus 5% interest and all costs of arbitration. ALJV took action before the courts of the United Arab Emirates seeking to block the enforcement of the bank guarantees by Tecnimont. The Arbitration Tribunal formed in the interim set the procedural calendar and in November 2020 ordered the payment of the amount of the enforced bank guarantees into an escrow account to be released to Tecnimont or ALJV according to the outcome of the arbitration decision. According to the procedural calendar, on January 21, 2021 ALJV filed its Statement of Claim, accompanied by written testimony and expert reports on the delay and quantification of the damages, whereas Tecnimont presented its Statement of Defense and Counterclaim, also accompanied by its written testimony and expert reports, on June 3, 2021. ALJV filed its Reply to the Statement of Defense and Counterclaim on October 28, 2021 and Tecnimont will file its Rejoinder to Counterclaim on March 17, 2022. The hearings will be held in 2022 and the decision will not be issued until the end of that year.

Siirtec Nigi

This is a case (General Registry 20666/2020) pending before the Court of Milan between Tecnimont S.p.A. and Siirtec Nigi S.p.A.. By writ of summons served on 19.6.2020, Sirtec Nigi S.p.A. (“SN”) sued Tecnimont S.p.A. (“TCM”) before the Court of Milan, seeking payment of approximately Euro 6,000,000.00 for alleged breaches by TCM of its obligations under the contract signed by the parties under which SN was to provide TCM design, materials and components, engineering and procurement, assembly, construction and inspection for the building of a gas dehydration and glycol regeneration plant. SN claims, in particular, that TCM: - did not pay some amounts due to unpaid invoices; - requested additional engineering and procurement services without paying for them; - requested change orders, without paying for them; - negligently committed additional breaches that allegedly delayed the work and increased the material costs borne by SN; and - unlawful enforced the surety guarantees granted to it. Entering an appearance with a statement of appearance and counterclaim, TCM rejected all of the adverse party’s arguments and claimed that SN: had failed to properly comply with its contractual obligations; had constantly delayed delivery of documents and goods; had delivered low quality goods; had failed to provide assistance at the side; had failed to manage its sub-suppliers; and had failed to deliver the contractually mandated replacement parts. By virtue of these complaints, TCM brought a counterclaim for past and future damages, quantified at approx. Euro 85 million. At present, the briefs pursuant to Article 183 of the Code of Civil Procedure have been drawn up and the court-appointed expert has begun their work.

Total E&P Italia S.p.A.

This is arbitration administered by the International Chamber of Commerce (ICC Case 26154/GR/PAR) between ATI Tecnimont S.p.A./KT Kinetics Technology S.p.A. and Total E&P Italia S.p.A. concerning execution of the EPC contract signed by the parties in November 2012 for the creation of the “Tempa Rossa” oil and LPG center in Basilicata (the “Contract”). The Contract originally called for a price of Euro 504,782,805.80 and a completion time of 42 months. Execution of the Contract was significantly compromised by numerous events attributable to Total E&P Italia, including the issuance of a large number of change orders, which radically altered the scope of the work to be done by ATI. After an attempt to settle the dispute, on March 23, 2021, ATI filed a Request for Arbitration with the ICC, including a request to adjust the price of the contract by about Euro 570 million. On June 22, 2021, Total E&P Italia filed an answer to the request, asking to reject ATI’s demands, and issued a counterclaim in the amount of Euro 314 million. The Arbitration Panel was formed on September 3, 2021.

National Petrochemical Industrial Company (NatPet)

NatPet, a national petrochemical company under Saudi law, has filed an arbitration proceeding against Tecnimont S.p.A. and Tecnimont Arabia Ltd. with the International Chamber of Commerce (ICC case No. 25791/AZR) by virtue of the arbitration clause contained in the Umbrella Agreement referred to in the contracts signed by NatPet with both companies in 2005 for the construction of a polypropylene plant located in Madinat, Yanbu Al-Sinaiyh in Saudi Arabia. The arbitration proceedings formally commenced on November 11, 2020 with notification by NatPet to Tecnimont S.p.A. and Tecnimont Arabia Ltd of a Request for Arbitration whereby NatPet initially asked the upcoming Arbitration Tribunal to order Tecnimont S.p.A. and Tecnimont Arabia Ltd to pay the sum of USD 350 million (later reduced to USD 80 million by means of the Terms of Reference dated October 6, 2021) as damages for the explosion at the plant allegedly caused by breach of contract and/or negligence. A silo valve was reportedly closed during polymer unloading operations, causing the polymer to explode. On February 2, 2021, Tecnimont filed an Answer to the Request for Arbitration with which it requested that the upcoming Arbitration Tribunal reject in full the claims made by NatPet both for lack of grounds and because the prescriptive period had expired, and that the Tribunal further order NatPet to pay costs, reserving the right to supplement its claims during the arbitration proceedings. Subsequent to the May 2021 Case Management Conference, the Arbitration Tribunal, once constituted, issued Procedural Order No. 1 which included the procedural schedule and stated that it would rule on two preliminary issues after a hearing to be held on October 5, 2021. These issues concerned the statute of limitations for NatPet's claims under the contracts, and the eventual settlement of those claims as a result of the Global Settlement Agreement entered into between the parties at the time of the issuance of the Final Acceptance of Plant Certificate. On November 15, 2021, the Arbitration Tribunal ruled on the statute of limitations, refusing to accept, on the one hand, that this period had expired for NatPet's claims under the contracts and rejecting, on the other, the notion that Tecnimont S.p.A. and Tecnimont Arabia Ltd could be held liable for any claims for compensation or damages accrued at the time of the Settlement Agreement. NatPet filed its Statement of Claim on December 22, 2021, while

Tecnimont S.p.A. and Tecnimont Arabia Ltd will file their Statement of Defense on April 8, 2022. According to the procedural schedule, a second exchange of briefs between the parties will follow between August and September 2022, and hearings will be held in November 2022. The award is not expected until the spring of 2023.

Rome Metro – Extension of line B1

The contract is currently under execution on behalf of Roma Metropolitane (Municipality of Rome) by a consortium comprising Salini-Impregilo S.p.A., Neosia S.p.A. (now merged into MST S.p.A.) and ICOP S.p.A. In relation to the contract for the Bologna – Conca d'Oro line, the test report was issued in February 2013. The work on the further Conca D'Oro extension has been completed and 2020 will be dedicated solely to completing the technical and administrative activities resulting from the issuance of the provisional acceptance certificate. Both sections are in commercial operation. The procedure initiated before the Ordinary Court continued for recognition of the reserves.

Fiumetorto Railway line doubling

Acquired in September 2005, the contract concerned the doubling of the rail line between Fiumetorto and Ogliastrillo and is under execution on behalf of Rete Ferroviaria Italiana S.p.A.. On September 17, 2017 the entire line became operational and the work contracted was completed in 2019, in line with the final contractual extension granted by the client. Activities in view of the technical/administrative inspection of the contract are in progress. The procedure initiated before the Ordinary Court continued for recognition of the reserves.

Punta Catalina

In relation to that announced on March 14, 2019, with regards to the information regarding the investigations in progress concerning the construction project for the electricity plant located in Punta Catalina in Santo Domingo appearing in the press, the company Maire Tecnimont, in confirming its determination to work as closely as possible with the Italian investigative authorities, forcefully restates its lack of involvement in the events subject to investigation and its confidence in their positive conclusion. In the initial months of 2019, the company actively cooperated with the Italian investigating authorities by exhibiting all the material requested (mainly computer documentation related to the above mentioned order). According to the Group's legal team, the terms for the investigation have expired. The company has received no further requests and is not aware of further developments and no notification regarding the filing has officially been received. The appointed legal counsel have stated that they are confident that the case will soon be dismissed. The legal counsel believe that the investigation by the Milan Public Prosecutor triggered by the complaint by the NGO Re:Common cited in the press is a formality by the investigating authorities and, as mentioned will allow Tecnimont and its personnel to be proved to be entirely innocent of any wrongdoing.

TAX DISPUTES

Maire Tecnimont Group Tax disputes concern outstanding tax proceedings relating to ordinary operations of Group companies. A summary of the main positions at December 31, 2021 according to currently available information is presented below.

TECNIMONT S.p.A.: audit for 2014, 2015 and 2016 of direct taxes, IRAP, VAT and withholding tax

On December 6, 2018, following the general audit of direct taxes, IRAP, VAT and withholding tax by the Tax Agency's Lombardy Region Directorate, in reference to the tax periods of 2015 and 2016 (extended to 2014 for the sole purpose of checking the correctness of the normal value of transactions with the subsidiary Tecnimont Private Limited), the company received a Tax Assessment (PVC) indicating the following findings:

1. recovery of taxes regarding the costs for the acquisition of engineering services by the subsidiary Tecnimont Private Limited in the financial years 2014, 2015 and 2016 (totaling Euro 18,827,000), deemed in excess of the fair value;
2. alleged higher interest income of Euro 1,085,000 in relation to the loan granted to Tecnimont Arabia Limited.

The company had previously prepared the documentation required by Article 1, Paragraph 2-ter, of Legislative Decree No.471/97 and the Tax Agency Director’s Provision of September 29, 2010. This documentation, submitted during the audit, was deemed (i) to be adequate for demonstrating that the applied transfer prices were consistent with the fair value, and (ii) to be valid for the purposes of the beneficial regime for the waiving of penalties under Article 1, Paragraph 2-ter, of Legislative Decree No. 471/97.

In October 2019, the Large Taxpayers Office of the Tax Agency’s Lombardy Regional Directorate notified the company of separate assessment notices for IRES corporate income tax (No. TMB0E3M00491/2019) purposes, notifying also Maire Tecnimont SpA in this regard as a consolidating and jointly liable party, and IRAP regional tax (No. TMB0C3M00492/2019) for the 2014 tax period. The Tax Agency essentially confirmed the findings of the tax audit report, calling for Euro 1,015 thousand in terms of IRES and Euro 138 thousand in terms of IRAP, plus interest.

On May 21, 2021, the Tax Agency’s Lombardy Regional Directorate notified the Company of a single IRES assessment notice for corporate income tax purposes (No. TMB0E3M00055/2020), notifying also Maire Tecnimont S.p.A. in this regard as a consolidating and jointly liable party, and IRAP regional tax (No. TMB0C3M00056/2020) for the 2015 tax period. The Tax Agency essentially confirmed the findings of the tax audit report, calling for Euro 1,781 thousand in terms of IRES and Euro 235 thousand in terms of IRAP, plus interest (citing the same justifications as those presented for 2014).

On July 29, 2021, the Tax Agency’s Lombardy Regional Directorate notified the Company of separate assessment notices for IRES corporate income tax purposes (No. TMB0E3M00596/2020), notifying also Maire Tecnimont S.p.A. in this regard as a consolidating and jointly liable party, and IRAP regional tax (No. TMB0C3M00597/2020) for the 2016 tax period. The Tax Agency confirmed the findings of the tax audit report, calling for Euro 2,716 thousand in terms of IRES and Euro 360 thousand in terms of IRAP, plus interest (citing the same justifications as those presented for 2014 and 2015).

Tecnimont SpA and Maire Tecnimont SpA (as the IRES consolidating party), considering that the objections formulated by the Tax Agency in the previous assessments for the 2014, 2015 and 2016 periods, supported by a prominent law firm, were unfounded, filed a timely appeal against the assessment notices (pending consideration before the Milan Provincial Tax Commission).

It should also be noted that the company filed an application for a Mutual Agreement Procedure as per Article 26 of the Convention between the Government of the Republic of Italy and the Government of the Republic of India. Through this application, Tecnimont S.p.A. intends to seek action by the Office for the Resolution and Prevention of International Disputes to eliminate the double taxation caused by the adjustment applied by the Revenue Agency in the assessment notices for 2014, 2015 and 2016. Following this application, on October 26, 2020 the Provincial Tax Commission of Milan ordered a stay of the trial.

The Amicable Procedure petitions for the 2014 and 2015 tax periods have already been declared admissible by the International Dispute Resolution and Prevention Office while confirmation of the admissibility of the petition for the 2016 tax period, submitted last February 7, 2022, is awaited.

Furthermore, in order to avoid further similar disputes on the correct transfer pricing methodology to be used in transactions with the subsidiary Tecnimont Private Limited, on December 31, 2019, the company submitted an application to the Office for the Resolution and Prevention of International Disputes of the Tax Agency to request the commencement of the bilateral preventive agreement procedure pursuant to Article 31-ter of Presidential Decree No. 600/1973 and Article 26 of the Convention between the Government of the Republic of Italy and the Government of the Republic of India. An analogous request was submitted by Tecnimont Private Limited to the corresponding Indian APA Office.

KT Kinetics Technology S.p.A.: Tax Agency Audit year 2016

On December 5, 2019, following the general tax audit of direct taxes, regional tax (IRAP), VAT and withholding tax conducted by the Tax Agency's Lazio Regional Directorate with reference to the 2016 tax period, the company received the Tax Assessment ("P.V.C. KT") containing the following findings:

1. recovery of corporate income tax (IRES) and regional tax (IRAP) for the costs incurred in the licensing of industrial patents by the subsidiary Stamicarbon BV (to a total of Euro 1,933 thousand), deemed to be in excess of the normal value;
2. Receivables for taxes paid abroad (for a total of Euro 363,000);
3. withholding taxes on royalties paid to non-resident entities (for a total of Euro 994,000).

The company had previously prepared the documentation required by Article 1, Paragraph 2-ter, of Legislative Decree No.471/97 and the Tax Agency Director's Provision of September 29, 2010. This documentation, submitted during the audit, was held by the auditors (i) to be adequate for demonstrating that the applied transfer prices were consistent with the fair value, and (ii) to be valid for the purposes of the beneficial regime for the waiving of penalties under Article 1, Paragraph 2-ter, of Legislative Decree No. 471/97.

The Company has not been notified of any additional relative documents and/or claims.

Ingenieria y Construccion Tecnimont Chile y Compania Limitada: Audit on financial years 2011, 2012, 2013 and 2014

In May 2013 Ingenieria y Construccion Tecnimont Chile y Compania Limitada ("Tecnimont Chile") was notified of an application by the Chilean tax authorities regarding tax findings and claims. In particular, the calculation of the 2011 tax result was contested, rejecting the tax losses accumulated (approx. CLP 60 billion) and claiming taxes for a total of approx. CLP 4.9 billion. Tecnimont Chile promptly requested nullification of the claim as illegitimate and unfounded, providing fresh and extensive documentation not previously considered by the Chilean Tax Agency. On the basis of this documentation provided, on August 8, 2013 the Chilean Tax Agency partially nullified the act, acknowledging the validity of part of the tax loss, while also almost entirely cancelling all payment demands for increased taxes and interest previously notified to the company. Tecnimont Chile continued to appeal in support of the correctness of its conduct and, backed by a leading legal firm, proposed an appeal against the first level unfavorable decision of November 20, 2017. In its judgement on January 17, 2019, the Court of Appeal of Santiago accepted all the requests made by the company. Against this decision, the Tax Agency appealed to the Court of Cassation on February 4, 2019 (awaiting consideration).

The Chilean Finance agency in addition issued additional acts containing challenges from the years 2012, 2013 and 2014, mainly relating to the non-recognition of the losses carried forward for 2011. Tecnimont Chile requested on time cancellation of the assessments as considering them unlawful and unfounded: demonstrating the correctness of its conduct and supported by a leading legal firm, the company challenged the assessments (still awaiting hearing).

17. Corporate Governance and Ownership Structure Report

In accordance with the regulatory obligations of Article 123-bis of the CFA, the "Corporate Governance and Ownership Structure Report" is drawn up annually and contains a general outline of the Corporate Governance System adopted by the company and information upon the ownership structure, including the main governance practices applied and the features of the risk management and internal control system with regards to financial disclosure.

This report is available on the company website www.mairetecnimont.it, in the "Governance" section.

18. Treasury shares and shares of the parent company

On April 21, 2021, Maire Tecnimont S.p.A. launched the treasury share buyback program (the "Program") as per Article 5 of Regulation (EC) No. 596/2014 (the "MAR"), in service of the Maire Tecnimont share-based remuneration and incentive plans adopted by the Company.

As part of the share buy-back program, between April 21, 2021 and April 28, 2021 inclusive, 2,100,000 treasury shares were acquired (corresponding to 0.64% of the total number of ordinary shares), at an average weighted price of Euro 2.609, for a total amount of Euro 5,479,356.80, and the program was therefore completed.

Subsequently, 1,239,528 shares from the 2017-2019 Restricted Stock Plan were delivered to beneficiaries of the Program and an additional 663,126 shares were delivered to beneficiaries of the First Cycle (2020) of the General Share Plan.

At December 31, 2021, the Company therefore held a residual 197,346 treasury shares to be utilized for the subsequent cycle of the multi-year general share plan.

19. Going Concern

Based on the results achieved, the Group and the Company consider the going concern principle appropriate for the preparation of the annual report at December 31, 2021. See also paragraph 20 below, "Subsequent events and outlook".

20. Subsequent events and outlook

KEY EVENTS SUBSEQUENT TO YEAR-END

Maire Tecnimont awarded a Euro 250m EPC contract from Covestro for a new aniline plant in Belgium

On January 13, 2022 - Maire Tecnimont S.p.A. announced that its subsidiary Tecnimont S.p.A. has been awarded an Engineering, Procurement and Construction (EPC) contract by Covestro for a new aniline plant in Antwerp, Belgium.

Covestro is among the leading international companies for the production of high-performance polymers and the development of innovative and sustainable solutions for many everyday applications.

The project seeks to boost aniline production capacity at Covestro's Antwerp plant. The project covers all prerequisites necessary to produce the final products, including raw materials, infrastructure, and product logistics.

The value of the contract on a lump sum basis is approx. Euro 250 million. Mechanical completion is expected by 2024. The new plant will be based on state-of-the-art technology to ensure the highest standards in terms of safety and energy efficiency.

The Antwerp plant is Covestro's European hub for aniline production and benefits from excellent infrastructure and logistics with direct access to raw materials. Aniline is an important base material for many chemicals including methylene diphenyl diisocyanate used as both a building insulation and refrigeration insulator, among various other uses.

Maire Tecnimont wins Euro 1.1 billion EPC contract from Rosneft for Hydrocracking VGO complex at Ryazan refinery (Russian Federation)

On January 26, 2022 - Maire Tecnimont S.p.A. announced that its subsidiaries Tecnimont S.p.A. and MT Russia LLC have signed an EPC contract with Rosneft for the construction of the VGO Hydrocracking complex at the Ryazan Refining Company (RORC) production site, 200 km south-east of Moscow. The contract refers to the agreement signed by Maire Tecnimont and Rosneft and announced to the market on October 28, 2021.

The total value of the contract is approx. Euro 1.1 billion (excluding Russian VAT). The project is subject to the completion of the financing, in addition to the meeting of certain conditions, typical for this type of transaction. The total duration of the project, which is expected to be in line with initiatives of this type, will be defined and announced to the market upon completion of the financing and the meeting of certain conditions.

VGO stands for "Vacuum Gas Oil" which is produced by the vacuum distillation units in a refinery. RORC, a subsidiary of Rosneft, is one of Russia's largest refineries by refining and production volume.

The scope of work on the project includes all activities related to engineering, the supply of equipment and materials, construction, start-up and commissioning, in addition to project finance services. When completed, the VGO Hydrocracking Complex will have a capacity of 40,000 barrels per day in order to meet the needs of the local market, in line with the highest regulatory standards for Class 5 fuels. The project will benefit from ultra-high-efficiency technology and equipment, with an automated control system, that will reduce the facility's carbon footprint.

A significant portion of the project will be carried out by MT Russia at its Moscow engineering center, where the Maire Tecnimont Group can call on more than 200 specialists who are currently involved in the implementation of several projects in the country. Thanks to its strong reputation as a provider of value-added services to the Russian market, MT Russia is therefore a strategic resource within the Group.

FOCUS ON RUSSIA

With regard to the international tensions surrounding what is happening in Ukraine, after a period in which investments in Russia had been particularly robust, the Group's commercial pipeline has been seeing a significant recovery in petrochemical investments in the Middle East (as recently confirmed by the acquisitions in Abu Dhabi) and in Europe (particularly in the area of investments in the energy transition and sustainable chemicals), as well as in the other regions in which the Group has a presence, such as India, North Africa, South East Asia, sub-Saharan Africa, and the United States.

The regional diversity of the current order backlog, together with the significant pipeline of commercial initiatives in all regions, confirm the ongoing rebalancing of the order backlog between Russia and the rest of the world, given the acceleration of petrochemical investments in various regions, and in the Middle East first and foremost.

At present, roughly Euro 1.5 billion of the Group's order backlog relates to Russia, equal to 16% of the total. The new project that the Group was recently awarded with Rosneft for construction of the VGO Hydrocracking complex in Ryazan is expected to enter the executive phase and be included in the backlog upon completion of financing and the verification of certain conditions, as reported to the market on January 26, 2022.

With regard to 2022 revenues, it should be noted that the Amursky AGPP project is at 95% completion. With the exception of construction work for the Kingisepp 2 project, most of the activities still to be conducted in the country, including in relation to the Amur AGCC project, are essentially concentrated in procurement activities for which most purchase orders for materials have already been issued and, in many cases, delivered on site. Only for the project Kingisepp 2, the only EPC project, are there planned construction activities to be performed on site, by the Russian subsidiary MT Russia, by contracting out to local construction firms which have already been mobilized at the work sites given the availability of engineering and construction materials.

In terms of the balance sheet, the net balance of assets and liabilities related to Russian projects is essentially at break even.

In order to assess the potential implications of the Russia-Ukraine crisis, an analysis has been conducted that shows the current state of the Group's financial and economic exposure related to projects under way in Russia.

These analyses, based on the currently available information, did not point to critical issues concerning application of the policies adopted in preparing these financial statements nor impairment losses related to the Hydrocarbons CGU, which is the only one to have projects in Russia.

As concerns the context of international sanctions currently being studied, the Group has, in the past, already managed the application of sanctions in terms of both operational logistics and aspects related to financial transactions, and we will continue to keep close watch of developments in the Russia-Ukraine crisis and will update our assessments as needed.

OUTLOOK

The general market - which continues to be impacted by the COVID-19 pandemic in its various emerging variants and by geopolitical tensions - continues to bear a significant level of uncertainty and criticalities regarding the general inflation of raw material prices and their availability, transport logistics and procurement on certain markets.

Against the sharp rise in natural resource prices, originally on the basis of a significant uptick in demand for energy, investment in processing infrastructure continues thanks to sustained demand for commodities globally and which supports new highs for these products.

This shift is evident in the projects acquired in 2021 which contributed to building by year-end an unprecedented order portfolio for the Group, which also features greater geographic diversification than in the recent past. These indications of a very buoyant market are confirmed by the additional new contracts signed in the initial weeks of 2022 and by a commercial pipeline that remains at record levels.

The drive to cut its carbon footprint also encourages the Group to increasingly integrate traditional technological solutions for downstream activities with the innovative green technological propositions developed in-house and in any case available to the Group, thanks to co-operation and development agreements with leading domestic and international partners. Due also to the strengthening of its in-house technological expertise, the subsidiary Nextchem continues to closely focus on the industrialization of new proprietary technologies in the circular economy, bioplastics/biofuels, CO2 capture, hydrogen and green fertilizers sectors.

The technological investment to become leading energy transition players, appropriately supported by strong commercial strategies, have already supported the signing - also for the Green Energy division - of the initial contracts with domestic and international clients, with further major opportunities expected over the coming months, thanks to a continually growing commercial pipeline.

In view of the significant order backlog, with projects in various phases of execution and others set to start in the coming weeks, and also taking into account the regions in which operations are underway and assuming that the pandemic does not worsen and the effects of the geopolitical tensions are confirmed, production volumes are forecast to grow over the coming quarters, with a margin in line with the 2021 average.

21. Consolidated Non-Financial Report

The Group in accordance with Article 5, paragraph 3, letter b of Legislative Decree 254/2016 has drawn up the consolidated disclosure non-financial information as a separate report.

In accordance with Articles 3 and 4 of Legislative Decree 254/2016, the 2021 Sustainability Report, published on the company website at www.mairetecnimont.it., in the "Investors" section, constitutes the Non-Financial Statement.

22. Other information

PARENT COMPANY OPERATING PERFORMANCE

Maire Tecnimont S.p.A. is a company incorporated in Italy at the Rome Companies Registration Office, acting as the Maire Tecnimont Group holding company. The company Maire Tecnimont S.p.A. reported net income of Euro 73.7 million for 2021, with an EBITDA of Euro 66.9 million and shareholders' equity of Euro 477.3 million.

Income Statement

(in Euro)	2021	2020
Total Revenues	116,558,602	36,542,679
Total Costs	(49,671,566)	(45,763,272)
EBITDA	**66,887,036**	**(9,220,593)**
Amortization, depreciation and write-downs	(901,478)	(1,003,406)
EBIT	**65,985,558**	**(10,223,999)**
Financial income	28,734,103	11,233,660
Financial expenses	(22,655,836)	(22,343,087)
Investment income/(expense)	0	0
Income/(loss) before taxes	**72,063,825**	**(21,333,427)**
Income taxes	1,677,139	8,131,888
Net income/(loss) for the year	**73,740,964**	**(13,201,539)**
Basic earnings (loss) per share	0.22	(0.04)
Diluted earnings (loss) per share	0.22	(0.04)

Revenues in 2021 mainly comprised dividends received by the subsidiary Tecnimont S.p.A. for Euro 50 million, by the subsidiary KT-Kinetics Technology S.p.A. for Euro 15.1 million and by the subsidiary Stamicarbon B.V. for Euro 18 million; revenues were up significantly on the previous year, in which there was an absence of dividends relating to FY 2019 among the Italian subsidiaries Tecnimont S.p.A. and KT-Kinetics Technology S.p.A., as a result of the regulatory measures issued in the wake of the COVID-19 emergency, including Legislative Decree No. 23 of April 8, 2020, in force since April 9, 2020.

Revenues also include "Intercompany services" provided to the direct subsidiaries. They specifically concern those provided by the Parent Company as part of the management, co-ordination and control from a legal, administrative, tax, financial and strategic viewpoint in the interest of Group companies.

Production costs increased essentially due to the higher personnel expense; the increase is the result of both a higher average headcount compared to the previous year, and a resumption of remuneration policies during 2021 essentially suspended in the previous year as part of the cost containment program approved in response to the emergency arising from COVID-19.

Financial income amounts to Euro 28.7 million and increased on the previous year, with the 2021 figure including the positive contribution of the net valuation of cash-settled Total Return Equity Swap (TRES) derivatives hedging against Maire Tecnimont share price fluctuations, essentially linked to the existing personnel incentive plans for Euro 10.2 million, which however had a negative impact of Euro 3.7 million in the previous year, as a result of dropping share prices due to the situation created in the markets by the pandemic. The residual amount of financial income of Euro 18.6 million refers mainly to income from subsidiaries relating to interest income accrued on loans and current accounts; as previously reported, the company adopted with the subsidiaries cash pooling systems to streamline the management of Group cash flows, avoiding the dispersion of liquidity and minimizing financial charges and other costs.

Financial expenses amount to Euro 22.7 million and refer for Euro 6.2 million to interest on loans received from subsidiaries and financial expenses for cash pooling related to interest paid to subsidiaries on the cash pooling current accounts overdrafts during the year, for Euro 11.4 million to interest on bank loans used during the year, including the Euro 365 million loan backed 80% by SACE’s Italy Guarantee and for Euro 4.9 million to charges on outstanding Bonds, the latter reducing following the early repayment of the second and last tranche of the Bonds subscribed in 2017 on a private placement basis, by the pan-European fund managed by Amundi group companies.

Net income of Euro 73.7 million is reported, essentially due to the higher dividends collected by the Italian subsidiaries and the financial management benefit, as outlined above.

Balance Sheet

(in Euro)	2021	2020
Non-current assets	1,072,424,107	1,101,949,041
Current assets	422,504,465	452,605,205
Total Assets	**1,494,928,572**	**1,554,554,245**

(in Euro)	2021	2020
Shareholders’ Equity	477,325,716	444,071,055
Non-current liabilities	546,086,203	617,191,972
Current liabilities	471,516,653	493,291,218
Total Shareholders’ Equity and Liabilities	**1,494,928,572**	**1,554,554,245**

The main decrease in non-current assets is due to the reclassification to short-term of certain financial receivables (Euro 38 million) beyond 12 months from subsidiaries; in fact, in July 2020 Maire Tecnimont S.p.A. disbursed a loan to two of its main operating companies in Italy, Tecnimont S.p.A. and KT - Kinetics Technology S.p.A., amounting to Euro 250 million and Euro 70 million, respectively. These loans receivable were granted following the subscription by Maire Tecnimont of a loan agreement under which it borrowed Euro 365 million with an 80% guarantee from the SACE Italy Guarantee and which essentially follow the maturities of the main loan.

Current assets mainly comprise trade receivables from subsidiaries, also relating to the tax and VAT consolidation of the Group; tax receivables, mainly for VAT regarding the Group VAT consolidation and IRES excess payments in relation to tax consolidation and current financial assets for Euro 183 million referring to financial receivables from subsidiaries, in addition to receivables for current accounts from subsidiaries.

In relation to this we recall Maire Tecnimont S.p.A. adopted the cash pooling system to streamline the management of Group cash flows, avoiding the dispersion of liquidity and minimizing financial charges.

Cash and cash equivalents at December 31, 2021 amount to Euro 156.9 million, a decrease of Euro 108.6 million compared to December 31, 2020.

Shareholders' equity at December 31, 2021 amounted to Euro 477.3 million (Euro 444.1 million at December 31, 2020), with a net increase compared to the previous year of Euro 33.3 million, essentially linked to the net income for the year, net of the distribution of the dividend resolved by the Shareholders' Meeting of April 15, 2021 of Euro 38.1 million.

Other non-current liabilities decreased on December 31, 2021, mainly as a result of the reclassification to current liabilities of some portions of the loan of a nominal value of Euro 365 million, 80% backed by the SACE Italy Guarantee for Euro 44.9 million, and a portion of the "ESG Linked Schuldschein Loan" for Euro 7.5 million. A further decrease of approx. Euro 20 million is due to the exercise of the voluntary early redemption option of the "2017 - 2023 Bond" subscribed by Amundi Asset Management in April 2017 and with contractual maturity in April 2023.

Other current liabilities concern for Euro 354.9 million payables to subsidiaries for current accounts, in relation to the cash pooling system and others for intercompany loans, for Euro 4.5 million trade payables to suppliers for ordinary operations and for Euro 5.7 million trade payables to subsidiaries.

Other current liabilities include also Euro 39.2 million concerning payables to subsidiaries for Group VAT. Again in 2021 a number of Group companies renewed the tax consolidation, transferring their VAT settlement credit balances to the consolidating Maire Tecnimont S.p.A..

The "Reconciliation between the net income of Maire Tecnimont S.p.A. and Group net income" and the "Net equity of Maire Tecnimont S.p.A. and Group net equity" is reported in the explanatory notes to the consolidated financial statements.

SECONDARY OFFICES

In accordance with Article 2428, paragraph 5, it is stated that Maire Tecnimont does not have secondary offices.

MARKETS REGULATION ARTICLE 15 (PREVIOUSLY ARTICLE 36) OF CONSOB MARKETS REGULATION (ADOPTED WITH CONSOB MOTION NO. 20249)

In relation to the regulations concerning the conditions for the listing of companies that control companies constituted and regulated according to laws outside of the European Union and of significant importance for the purposes of the consolidated financial statements, the Maire Tecnimont Group has identified 5 subsidiaries, with headquarters in 5 countries not belonging to the European Union, which are considered significant in accordance with the regulation.

With regards to that outlined above, the current administrative-accounting and reporting systems of the Maire Tecnimont Group are considered appropriate to provide regular reporting to management and the Auditor of the parent company of the income statement, balance sheet and financial data necessary for the preparation of the Consolidated Financial Statements and to ensure compliance with the above regulation.

PARTICIPATION IN THE REPORTING SIMPLIFICATION SCHEME IN ACCORDANCE WITH CONSOB MOTION NO. 18079 OF JANUARY 20, 2012

In accordance with Article 3 of Consob motion No. 18079 of January 20, 2012, Maire Tecnimont S.p.A decided to adopt the opt-out as per Articles 70, paragraph 8, and 71, paragraph 1-bis of Consob motion no. 11971/99, as amended, applying therefore the exception from publication of the required disclosure documents provided for in Annex 3B of the aforementioned Consob Regulation concerning significant merger, spin-off, share capital increases through conferments of assets in kind, acquisitions, and significant sales operations.

Consolidated Financial Statements and Explanatory Notes

at December 31, 2021

23. Financial Statements

23.1. Consolidated Income Statement

(In Euro thousands)	*Note*	2021	2020
Revenues	27.1	2,844,069	2,569,224
Other operating revenues	27.2	20,713	61,554
Total Revenues		**2,864,782**	**2,630,778**
Raw materials and consumables	27.4	(1,024,695)	(738,922)
Service costs	27.5	(1,172,509)	(1,281,856)
Personnel expenses	27.6	(427,528)	(368,884)
Other operating costs	27.7	(66,318)	(68,899)
Total Costs		**(2,691,050)**	**(2,458,560)**
EBITDA		**173,732**	**172,218**
Amortization, depreciation and write-downs	27.8	(41,186)	(43,619)
Write-down of current assets	27.9	(2,587)	(4,924)
Provisions for risks and charges	27.9	0	0
EBIT		**129,959**	**123,675**
Financial income	27.10	20,454	7,438
Financial expenses	27.11	(34,132)	(53,263)
Investment income/(expense)	27.12	(2,446)	964
Income before taxes		**113,835**	**78,814**
Income taxes, current and deferred	27.13	(33,364)	(24,607)
Net income for the year		**80,471**	**54,207**
Group net income		83,301	57,801
Minorities		(2,830)	(3,594)
Basic earnings per share	27.14	**0.254**	**0.176**
Diluted earnings per share	27.14	**0.254**	**0.176**

The transactions with related parties, pursuant to Consob Resolution No. 15519 of July 27, 2006, are illustrated in the separate disclosure “Related Party Transactions”, while in the tables no separate indication was provided as not considered significant.

23.2. Consolidated Comprehensive Income Statement

(In Euro thousands)	*Note*	2021	2020
Net income for the year		**80,471**	**54,207**
Other comprehensive income/(expense) which may not be subsequently reclassified to income/(loss) for the year:			
Actuarial losses	*28.19*	(1,199)	(399)
Relative tax effect		288	96
Fair value changes of investments with OCI effects	*28.19*	2,946	(310)
Total other comprehensive income/(expense) which may not be subsequently reclassified to income/(loss) for the year:		**2,035**	**(613)**
Other comprehensive income/(expense) which may be subsequently reclassified to income/(loss) for the year:			
Translation differences	*28.19*	12,307	(34,298)
Net valuation of derivatives instruments:			
· valuation derivative instruments	*28.19*	32,427	(31,744)
· relative tax effect		(7,782)	7,619
Total other comprehensive income/(expense) which may be subsequently reclassified to income/(loss) for the year:		**36,952**	**(58,423)**
Total other comprehensive income/(expense), net of the tax effect		**38,987**	**(59,037)**
Comprehensive income/(loss)		**119,458**	**(4,829)**
Attributable to:			
· Group		122,288	(1,235)
· Minorities		(2,830)	(3,594)

23.3. Consolidated Balance Sheet

(In Euro thousands)	*Note*	December 31, 2021	December 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	28.1	44,627	42,132
Goodwill	28.2	294,321	294,321
Other intangible assets	28.3	101,551	83,348
Right-of-use - Leasing	28.4	126,520	134,815
Investments in associates	28.5	13,910	16,788
Financial instruments - Derivatives (Non-current assets)	28.6	16,600	635
Other non-current financial assets	28.7	58,578	66,904
Other non-current assets	28.8	129,833	112,325
Deferred tax assets	28.9	40,599	25,866
Total non-current assets		**826,539**	**777,134**
Current assets			
Inventories	28.10	1,845	3,222
Advance payments to suppliers	28.10	476,686	481,706
Contractual Assets	28.11	2,325,370	1,928,600
Trade receivables	28.12	491,560	649,187
Current tax assets	28.13	144,128	104,762
Financial instruments - Derivatives (Current assets)	28.14	26,580	5,262
Other current financial assets	28.15	5,300	9,417
Other current assets	28.16	234,915	256,204
Cash and cash equivalents	28.17	677,100	705,327
Total current assets		**4,383,484**	**4,143,686**
Non-current assets classified as held-for-sale	28.18	0	0
Elimination of assets to and from assets/liabilities held-for-sale	28.18	0	0
Total Assets		**5,210,023**	**4,920,821**

The transactions with related parties, pursuant to Consob Resolution No. 15519 of July 27, 2006, are illustrated in the separate disclosure “Related Party Transactions”, while in the tables no separate indication was provided as not considered significant.

(In Euro thousands)	*Note*	December 31, 2021	December 31, 2020
Shareholders' Equity			
Share capital	28.19	19,921	19,921
Share premium reserve	28.19	272,921	272,921
Other reserves	28.19	(16,330)	(21,253)
Valuation reserve	28.19	5,173	(21,507)
Total shareholders' equity & reserves		**281,685**	**250,082**
Retained earnings/(accumulated losses)	28.19	128,266	104,953
Net income for the year	28.19	83,301	57,801
Total Group Net Equity		**493,252**	**412,836**
Minorities		34,098	35,442
Total Net Equity		**527,350**	**448,278**
Non-current liabilities			
Financial debt - non-current portion	28.20	448,937	567,189
Provisions for charges - beyond 12 months	28.21	9,360	31,512
Deferred tax liabilities	28.9	37,396	21,317
Post-employment & other employee benefits	28.22	10,792	10,489
Other non-current liabilities	28.23	74,844	78,371
Financial instruments - Derivatives (Non-current liabilities)	28.24	7,536	12,632
Other non-current financial liabilities	28.25	179,865	198,570
Non-current financial liabilities - Leasing	28.26	107,113	115,139
Total non-current liabilities		**875,843**	**1,035,219**
Current liabilities			
Short-term debt	28.27	136,426	118,308
Current financial liabilities - Leasing	28.26	21,276	20,756
Provisions for risks and charges - within 12 months	28.28	39,658	6,159
Tax payables	28.29	18,911	28,611
Financial instruments - Derivatives (Current liabilities)	28.30	20,288	27,358
Other current financial liabilities	28.31	330	330
Client advance payments	28.32	867,666	649,360
Contractual Liabilities	28.33	392,571	577,386
Trade payables	28.34	1,891,718	1,706,534
Other Current Liabilities	28.35	417,986	302,521
Total current liabilities		**3,806,830**	**3,437,323**
Liabilities directly associated with non-current assets classified as held-for-sale	28.18	0	0
Elimination of liabilities to and from assets/liabilities held-for-sale	28.18	0	0
Total Shareholders' Equity and Liabilities		**5,210,023**	**4,920,821**

The transactions with related parties, pursuant to Consob Resolution No. 15519 of July 27, 2006, are illustrated in the separate disclosure "Related Party Transactions", while in the tables no separate indication was provided as not considered significant.

24. Statement of changes in Consolidated Shareholders' Equity

(In Euro thousands)	Share capital	Share premium reserve	Other reserves	Translation reserve	Valuation reserve	Retained earnings/accum. losses	Income/(losses) for year	Group Shareholders' equity	Minority interest capital & reserves	Group & Minority int. consol. share. equity
December 31, 2019	**19,921**	**272,921**	**28,324**	**(20,863)**	**3,233**	**(7,968)**	**112,981**	**408,547**	**40,389**	**448,936**
Allocation of the result						112,981	(112,981)	-		-
Change to consolidation scope								-		-
Other changes						(60)		**(60)**	(1,353)	**(1,413)**
IFRS 2 (Employee share plans)			5,584					**5,584**		**5,584**
Comprehensive income/(loss) for the year				(34,298)	(24,739)		57,801	**(1,235)**	(3,594)	**(4,829)**
December 31, 2020	**19,921**	**272,921**	**33,908**	**(55,161)**	**(21,507)**	**104,953**	**57,801**	**412,836**	**35,442**	**448,278**

(In Euro thousands)	Share capital	Share premium reserve	Other reserves	Translation reserve	Valuation reserve	Retained earnings/accum. losses	Income/(losses) for year	Group Shareholders' equity	Minority interest capital & reserves	Group & Minority int. consol. share. equity
December 31, 2020	**19,921**	**272,921**	**33,908**	**(55,161)**	**(21,507)**	**104,953**	**57,801**	**412,836**	**35,442**	**448,278**
Allocation of the result						57,801	(57,801)	**0**		**0**
Change to consolidation scope								**0**		**0**
Distribution dividends			(3,867)			(34,255)		**(38,122)**		**(38,122)**
Share capital increase non-cont. int.								**0**	2,205	**2,205**
Other changes						(233)		**(233)**	(719)	**(952)**
IFRS 2 (Employee share plans)			(3,002)					**(3,002)**		**(3,002)**
Utilization Treasury Shares 2021 for staff plans			4,964					**4,964**		**4,964**
Acquisition of Treasury Shares 2021			(5,479)					**(5,479)**		**(5,479)**
Comprehensive income/(loss) for the year				12,307	26,680		83,301	**122,288**	(2,830)	**119,458**
December 31, 2021	**19,921**	**272,921**	**26,524**	**(42,854)**	**5,173**	**128,266**	**83,301**	**493,252**	**34,098**	**527,350**

25. Consolidated Cash Flow Statement (indirect method)

(In Euro thousands)	December 31, 2021	December 31, 2020
Cash and cash equivalents at beginning of the year (A)	**705,327**	**727,394**
Operations		
Net Income of Group and Minorities	**80,471**	**54,207**
Adjustments:		
Amortization of intangible assets	12,576	14,479
- Depreciation of non-current property, plant and equipment	4,984	5,139
- Depreciation of right-of-use - Leasing	23,626	24,000
- Provisions	2,587	4,924
- (Revaluations)/Write-downs of investments	2,446	(964)
- Financial expenses	34,132	53,263
- Financial income	(20,454)	(7,438)
- Income & deferred tax	33,364	24,607
- (Gains)/Losses	(69)	87
- (Increase)/Decrease inventories/supplier advances	6,396	(42,831)
- (Increase)/Decrease in trade receivables	155,041	(98,825)
(Increase) / Decrease receivables for contractual assets	(398,449)	(57,340)
- Increase/(Decrease) in other liabilities	111,938	95,951
- (Increase)/Decrease in other assets	4,488	(34,266)
- Increase/(Decrease) in trade payables / Client advances	358,056	(271,613)
Increase / (Decrease) payables for contractual liabilities	(184,814)	272,373
- Increase/(Decrease) in provisions (incl. post-employ. benefits)	13,612	(3,617)
- Income taxes paid	(43,432)	(52,726)
Cash flow from operations (B)	**196,499**	**(20,587)**
Investments		
(Investment)/Disposal of non-current tangible assets	(7,411)	(2,974)
(Investment)/Disposal of intangible assets	(23,187)	(22,198)
(Investment)/Disposal of associated companies	0	0
(Increase)/Decrease in other investments	(418)	878
(Investments)/(Divestments) in companies net of cash and cash equivalents acquired	0	9,511
Cash flow from investments (C)	**(31,016)**	**(14,783)**
Financing		
Repayments of principal of financial lease liabilities	(22,837)	(24,405)
Payment interest on finance lease liabilities	(5,239)	(5,988)
Increase/(Decrease) in current financial payables	(88,684)	(280,888)
Settlement of non-current financial payables	(36,364)	(32,900)
Undertaking of non-current financial payables	1,493	375,000
(Increase)/Decrease in bonds	(20,000)	(279)
Change in other financial assets/liabilities	21,522	(17,237)
Dividends	(38,122)	0
Treasury shares	(5,479)	0
Cash flow from financing (D)	**(193,710)**	**13,303**
Increase/(Decrease) in cash and cash equivalents (B+C+D)	**(28,227)**	**(22,067)**
Cash and cash equivalents at end of the year (A+B+C+D)	**677,100**	**705,327**
of which: Cash and cash equivalents of Discontinued Operations	0	0
CASH AND CASH EQUIVALENTS AT END OF YEAR REPORTED IN FINANCIAL STATEMENTS	**677,100**	**705,327**

The transactions with related parties, pursuant to Consob Resolution No. 15519 of July 27, 2006, are illustrated in the separate disclosure “Related Party Transactions”, while in the tables no separate indication was provided as not considered significant.

26. Explanatory Notes at December 31, 2021

BASIS OF PREPARATION

Introduction

Maire Tecnimont S.p.A. is a company incorporated in Italy at the Rome Companies Registration Office. The company has its registered office in Rome, Viale Castello della Magliana No. 27 and its operating headquarters in Milan, via Gaetano De Castillia, 6A, where the core activities are carried out.

Maire Tecnimont is an investment holding company, heading a Group operating on an international scale, in the field of natural resource transformation, with cutting-edge executive and technological skills. The Group is a leader in plant engineering in the downstream oil&gas, petrochemical, fertilizer and energy sectors. It also offers solutions in the field of green chemistry and energy transition technologies to meet the needs of clients engaged in the decarbonization process.

Maire Tecnimont, pursuant to Article 93 of the Consolidated Finance Act, is controlled by GLV Capital S.p.A. ("GLV Capital"). For further details, reference should be made to the Group's institutional website www.mairetecnimont.com.

The consolidated financial statements for the year 2021 were prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and approved by the European Union, as well as the provisions issued under Article 9 of Legislative Decree No. 38/2005. IFRS include all the revised international accounting standards (IAS) and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC"). The financial statements are prepared under the historical cost convention, modified where applicable for the valuation of certain financial instruments. The present consolidated financial statements at December 31, 2021 are expressed in Euro, as the majority of Group operations are carried out in this currency. Foreign assets and liabilities, expressed in foreign currency, are included in the consolidated financial statements in accordance with the principles indicated in the notes below.

Any differences between the data in the tables relates exclusively to rounding.

Going concern

Based on the results achieved, the Group and the Company consider the going concern principle appropriate for the preparation of the annual report at December 31, 2021. See also paragraph 20, "Subsequent events and outlook", of the Directors' Report.

Financial statements

The financial statements prepared by the Group include the integrations introduced following the application of "IAS 1 revised", as follows:

The Consolidated Balance Sheet accounts are classified between current and non-current, while the Consolidated Income Statement and Consolidated Comprehensive Income Statement are classified by nature of expenses. The Consolidated Cash Flow Statement is presented in accordance with the indirect method, adjusting the income for the period with non-cash items. The Statement of change in Consolidated Shareholders' Equity reports comprehensive income (charges) for the period and the changes in Shareholders' Equity.

IFRS Accounting Standards, Amendments and Interpretations applied from January 1, 2021

The following amendments and interpretations applied from January 1, 2021 did not have a significant impact on the Group consolidated financial statements.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmarking Reform - Phase 2, which take into account the consequences of effectively replacing existing interest rate benchmarks with alternative benchmark rates. These amendments provide for a specific accounting treatment to spread the changes in value of financial instruments or leases over time due to the replacement of the benchmark index for determining interest rates, thus avoiding immediate repercussions on net income (loss) for the year and unnecessary terminations of hedging relationships following the replacement of the benchmark index for determining interest rates.

- Amendments to IFRS 4 insurance contracts - deferral of IFRS 9. The objective of these changes is to allow the qualifying entities to continue postpone application of IFRS 9. Currently, IFRS 4 requires insurance companies to apply IFRS 9 from January 1, 2021. The amendment states that IFRS 9 will go into effect from financial years that begin on or after January 1, 2023, although early adoption is allowed.
- Amendment to IFRS 16 "Leases" - "COVID-19 - Related Rent Concessions beyond June 30, 2021", which sought to extend the practical expedient whereby lessees are permitted to recognize rent concessions, arising from the COVID-19 pandemic, as negative variable rent without having to remeasure lease assets and liabilities, subject to the following requirements: (i) the concessions relate to reductions in only payments due by June 30, 2022; (ii) the total contractual payments, after rent concessions, are equal to or less than the payments originally provided for in the contracts; and (iii) no other material changes have been agreed to with the lessor.

IFRS and IFRIC accounting standards, amendments and interpretations approved by the EU, not yet mandatory and not adopted in advance by the Group at December 31, 2021

- On May 14, 2020, the IASB issued the document "Annual Improvements to IFRS Standards 2018-2020 Cycle" and published amendments to IAS 16 "Property, plant and equipment", IAS 37 "Provisions, contingent liabilities and contingent assets", and IFRS 3 "Business combinations". Changes in standards are effective on or after January 1, 2022.
- On June 25, 2020, the IASB issued amendments to IFRS 17 "Insurance Contracts" that define the accounting treatment of insurance contracts issued and reinsurance contracts held. The provisions of IFRS 17, which go beyond those currently envisaged by IFRS 4 "Insurance Contracts", are intended to help businesses implement the standard and (i) reduce costs by simplifying the requirements of the standard; (ii) make it easier to make disclosures in the financial statements; (iii) facilitate the transition to the new standard by postponing its entry into force. The amendments are effective from years beginning on, or subsequent to, January 1, 2023.

IFRS accounting standards, amendments and interpretations not yet approved by the European Union at December 31, 2021

At the date of the present Annual Report, the relevant bodies of the European Union have not yet concluded the process necessary for the implementation of the amendments and standards described below:

- On July 15, 2020, the IASB issued an Amendment to IAS 1 "Classification of Liabilities as Current or Non-current - Deferral of Effective Date" whereby, due to the COVID-19 pandemic, the effective date of the amendments was postponed to January 1, 2023.
- On February 12, 2021, the IASB issued Amendments to IAS 1 "Disclosure of Accounting Policies" and Amendment to IAS 8 "Definition of Accounting Estimates." The changes are intended to improve disclosure on accounting policies to provide more useful information to investors and other primary users of financial statements and to help companies distinguish between changes in accounting estimates and changes in accounting policies. The amendments are effective from years beginning on, or subsequent to, January 1, 2023.
- On May 7, 2021, the IASB issued the Amendment to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The amendments require companies to recognize deferred taxes on some transactions that upon initial recognition result in temporary differences that are taxable and deductible in equal value. The amendments are effective from years beginning on, or subsequent to, January 1, 2023.

- On December 9, 2021, the IASB issued the Amendment to IFRS 17 "Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information". The amendment is a transition option related to comparative disclosure on financial assets presented upon first-time application of IFRS 17. The amendment is intended to help entities avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and thus improve the utility of comparative disclosure for users of financial statements. IFRS 17 incorporating the amendment is effective for annual periods beginning on or after January 1, 2023.

The Group is currently assessing the possible impact of the above changes.

CONSOLIDATION SCOPE

In addition to the Parent Company Maire Tecnimont S.p.A., the consolidation scope includes the directly and indirectly held subsidiaries. In particular, the companies consolidated are those in which Maire Tecnimont S.p.A. exercises control, either due to a direct shareholding or the indirect holding of the majority of the voting rights, or having the power to determine the financial and operating choices of the company/entity, obtaining the relative benefits, irrespective of the shareholding. The Joint Operations in which two or more parties undertake an economic activity which is subject to joint control are consolidated under the proportional method. All the subsidiaries are included in the consolidated scope at the date in which control is acquired by the Group. Entities are excluded from the consolidation scope from the date the Group cedes control.

The changes in the consolidation scope compared to December 31, 2020 were as follows:

- Deconsolidation of Protomation B.V. following the merger of Stamicarbon B.V., effective January 1, 2021;
- Deconsolidation of Neosia S.p.A. following the merger of MST S.r.l. (now MST S.p.A.)and consequent transformation of that company from a limited-liability company to a joint-stock company on January 28, 2021. The operation was carried out in order to restructure industrial and commercial operations and the shortening of the chain of control of a portion of the broader Green Energy Business Unit of the Maire Tecnimont Group, of which both the incorporated company and the incorporating company are a part – i.e. specifically the business unit that provides the services of maintenance, energy upgrading for large real estate structures, management of temporary construction site facilities, applying particularly effective solutions for environment protection and energy savings, as well as the design, engineering and construction of infrastructure – thereby optimizing the business operating model and generating both financial and operating savings through cutting overheads and leveraging on all available economies of scale. Therefore, as a result of this operation, the separate capabilities of MST and Neosia are now within a single special-purpose vehicle in order to be managed in a manner that is more coordinated, synergistic, efficacious, cost-effective, and aimed at the achievement of business goals and pursuit of the interests of the companies involved in the merger;
- Creation and consolidation of Tecnimont Vellesstroy S.r.l., a special-purpose vehicle supporting Group activities in the project KINGISEPP 2 with the client LLC Eurochem Northwest 2;
- Deconsolidation following the liquidation of Tecnimont Bolivia S.r.l.;
- Deconsolidation following the liquidation of TCC Denmark Aps.;
- Deconsolidation of BIO-P S.r.l. following the merger by incorporation with NextChem S.p.A.

In addition, as part of the "Maire Tecnimont Group Corporate Streamlining Activities", the following transactions took place:

- NextChem S.p.A. sold 100% of the shares of Stamicarbon USA Inc. to Stamicarbon B.V.
- Tecnimont S.p.A. sold 100% of the shares of Tecnimont Poland Sp.zo.o to KT S.p.a.
- MET T&S Ltd sold 100% of the shares of MET T&S Management Ltd to NextChem S.p.A.

For the consolidation in accordance with IFRS, all consolidated subsidiaries prepared a specific "reporting package", based on IFRS accounting standards adopted by the Group and illustrated below, reclassifying and/or adjusting the accounts approved by the boards of the respective companies.

The following criteria and methods were utilized in the consolidation:

a) adoption of the line-by-line consolidation method, with the full recognition of assets, liabilities, costs and revenue, irrespective of the shareholding;

b) adoption of the proportion consolidation method, recognizing the percentage held in the assets, liabilities, costs and revenue;

c) elimination of balance sheet and income statement transactions between Group companies, including the reversal of any gains or losses not yet realized, deriving from operations between consolidated companies, recording any consequent deferred tax effects;

d) elimination of inter-company dividends and relative adjustment of opening equity reserves;

e) elimination of the book value of investments, relating to companies included in the consolidation, and the corresponding share in net equity and allocation of the positive and/or negative differences deriving from the relative accounts (assets, liabilities and equity), defined with reference to the date of acquisition of the investment and subsequent changes;

f) recognition, in separate equity and income statement accounts, of the share capital, reserves and income for the period of minorities;

g) adoption of the conversion method of financial statements of foreign companies which prepare their financial statements in currencies other than the Euro, which provides for the conversion of all monetary assets and liabilities at the period-end rate and the average period rate for income statement items. The difference deriving from the conversion is recorded under equity reserves.

The main exchange rates applied for the conversion of the financial statements in foreign currencies, illustrated below, are those published by the UIC:

Exchange rates	January - December 21	31.12.2021	January - December 20	31.12.2020
Euro/US Dollar	1.1827	1.1326	1.1422	1.2271
Euro/Brazilian Real	6.3779	6.3101	5.8943	6.3735
Euro/Indian Rupee	87.4392	84.2292	84.6392	89.6605
Euro/Nigeria Naira	470.922	466.8577	407.4454	465.6845
Euro/Chilean Peso	898.390	964.3500	903.1400	872.5200
Euro/Russian Ruble	87.1527	85.3004	82.7248	91.4671
Euro/Saudi Arabia Riyal	4.4353	4.2473	4.2832	4.6016
Euro/Polish Zloty	4.5652	4.5969	4.4430	4.5597
Euro/Malaysian Ringgit	4.9015	4.7184	4.7959	4.9340
Euro/Mexican Pesos	23.9852	23.1438	24.5194	24.4160
Euro/GBP	0.8596	0.84028	0.8897	0.89903
Euro/AED	**4.3436**	**4.1595**	**4.1947**	**4.5065**

The consolidation scope at December 31, 2021 is shown below:

Companies consolidated by the line-by-line method:

Consolidated companies	Location/Country	Currency	Share capital	% Group	Through:	
Maire Tecnimont S.p.A.	Italy (Rome)	EUR	19,920,679	-	Parent Company	
Met Development S.p.A.	Italy	EUR	10,005,000	100%	Maire Tecnimont S.p.A.	100%
Met T&S Ltd	UK	GBP	100,000	100%	Met Development S.p.A.	100%
Met Dev 1 S.r.l.	Italy	EUR	30,413,000	51%	Met Development S.p.A.	51%
MET GAS Processing Technologies S.p.A.	Italy	EUR	50,000	100%	Maire Tecnimont S.p.A.	100%
Nextchem S.p.A.	Italy	EUR	18,095,252	56.67%	Maire Tecnimont S.p.A.	56.67%
MyReplast S.r.l.	Italy	EUR	60,000	51%	Nextchem S.p.A.	51%
MyReplast Industries S.r.l.	Italy	EUR	4,600,000	51%	Nextchem S.p.A.	51%
U-Coat S.p.a.	Italy	EUR	7,500,000	50.1%	Nextchem S.p.A.	50.1%
MDG Real Estate S.r.l.	Italy	EUR	50,000	100%	Nextchem S.p.A.	100%
MyRechemical S.r.l.	Italy	EUR	500,000	100%	Nextchem S.p.A.	100%
Met T&S Management Ltd	UK	GBP	473,535	100%	Nextchem S.p.A.	100%
Stamicarbon B.V.	Netherlands	EUR	9,080,000	100%	Maire Tecnimont S.p.A.	100%
Stamicarbon USA Inc	USA	USD	5,500,000	100%	Stamicarbon B.V.	100%
Vinxia Engineering a.s. in liquidation	Czech Republic	CZK	516,390	80%	Stamicarbon B.V.	40%
					Tecnimont S.p.A.	40%
KT S.p.A.	Italy	EUR	6,000,000	100%	Maire Tecnimont S.p.A.	100%
KTI Arabia LLC	Saudi Arabia	SAR	500,000	70%	KT S.p.A.	70%
KT Cameroun S.A.	Cameroon	XAF	120,000,000	75%	KT S.p.A.	75%
KT Star CO. S.A.E.	Egypt	USD	1,000,000	40%	KT S.p.A.	40%
KT Angola lda	Angola	AOA	93,064,320	100%	KT S.p.A.	100%
Tecnimont Poland Sp.Zo.o	Poland	PLN	50,000	100%	KT S.p.A.	100%
Tecnimont S.p.A.	Italy (Milan)	EUR	1,000,000	100%	Maire Tecnimont S.p.A.	100%
TCM FR S.A.	France	EUR	37,000	100%	Tecnimont S.p.A.	99.99%
					Tecnimont do Brasil Ltda.	0.01%
TPI Tecnimont Planung und Industrieanlagenbau Gmbh	Germany	EUR	260,000	100%	Tecnimont S.p.A.	100%
Tws S.A. in liquidation	Switzerland	CHF	63,488	100%	TPI Tecnimont Planung und Industrieanlagenbau Gmbh	100%
Tecnimont Arabia Ltd.	Saudi Arabia	SAR	5,500,000	100%	Tecnimont S.p.A.	100%
Tecnimont Nigeria Ltd.	Nigeria	NGN	10,000,000	100%	Tecnimont S.p.A.	100%
OOO MT Russia	Russia	RUB	18,000,000	100%	Tecnimont S.p.A.	99%

Consolidated companies	Location/Country	Currency	Share capital	% Group	Through:	
					TPI Tecnimont Planung und Industrieanlagenbau Gmbh	1%
Tecnimont Private Limited	India	INR	13,968,090	100%	Tecnimont S.p.A.	100%
Tecnimont do Brasil Ltda.	Brazil	BRL	593,650,494	100%	Tecnimont S.p.A.	99.34%
					TPI Tecnimont Planung und Industrieanlagenbau Gmbh	0.66%
Tecnimont E&I (M) Sdn Bhd	Malaysia	MYR	28,536,679	100%	Tecnimont S.p.A.	99.99%
					TPI Tecnimont Planung und Industrieanlagenbau Gmbh	0.01%
Tecnimont Chile Ltda.	Chile	CLP	58,197,504,153	100.00%	Tecnimont S.p.A.	99.5224%
					Tecnimont do Brasil Ltda.	0.4772%
					TPI Tecnimont Planung und Industrieanlagenbau Gmbh	0.0004%
Consorcio ME Ivai	Brazil	BRL	12,487,309	65%	Tecnimont do Brasil Ltda.	65%
Tecnimont Mexico SA de CV	Mexico	MXN	51,613,880	100%	Tecnimont S.p.A.	99.99%
					TPI Tecnimont Planung und Industrieanlagenbau Gmbh	0.01%
Tecnimont USA INC.	Texas (USA)	USD	4,430,437	100.00%	Tecnimont S.p.A.	100.00%
TecnimontHQC S.c.a.r.l.	Italy	EUR	10,000	60.00%	Tecnimont S.p.A.	60.00%
TecnimontHQC Sdn Bhd.	Malaysia	MYR	750,000	60.00%	Tecnimont S.p.A.	60.00%
Tecnimont-KT JV S.r.l.	Italy	EUR	15,000	100%	Tecnimont S.p.A.	70%
					KT S.p.A.	30%
Tecnimont-KT JV Azerbaijan LLC	Azerbaijan	AZN	170,010	100%	Tecnimont S.p.A.	70%
					KT S.p.A.	30%
Tecnimont Philippines Inc.	Philippines	PHP	10,002,000	100%	Tecnimont S.p.A.	100%
Tecnimont Velesstroy S.r.l.	Italy	EUR	100,000	100%	Tecnimont S.p.A.	100%
Neosia Renewables S.p.A.	Italy	EUR	50,000	100%	Maire Tecnimont S.p.A.	100%
Met NewEN Mexico SA de CV	Mexico	MXN	4,200,000	100%	Neosia Renewables S.p.A.	99%
					Tecnimont Messico SA de CV	1%
MST S.p.A.	Italy	EUR	400,000	100%	Maire Tecnimont S.p.A.	100%
Transfima S.p.A.	Italy	EUR	51,000	51%	MST S.p.A.	51%
Transfima G.E.I.E.	Italy	EUR	250,000	50.65%	MST S.p.A.	43%
					Transfima S.p.A.	15%
Cefalù 20 S.c.a.r.l.	Italy	EUR	20,000,000	99.99%	MST S.p.A.	99.99%
Corace S.c.a.r.l. in liquidation	Italy	EUR	10,000	65%	MST S.p.A.	65%
Birillo 2007 S.c.a.r.l.	Italy	EUR	1,571,940	100%	MST S.p.A.	100.0%

Companies consolidated line-by-lined based on shareholding:

Consolidated companies	Location/Country	Currency	Share capital	% Group	Through:	
Sep FOS(*)	France	EUR	-	50%	Tecnimont S.p.A.	49%
					TCM FR S.A.	1%
Consorzio Turbigo 800 in liquidazione (*)	Italy	EUR	100,000	50%	Tecnimont S.p.A.	50%
JV Gasco (*)	United Arab Emirates	USD	-	50%	Tecnimont S.p.A.	50%
JO Saipem-Dodsal-Tecnimont (*)	United Arab Emirates	AED	-	32%	MST S.p.A.	32%
UTE Hidrogeno Cadereyta(*)	Spain	EUR	6,000	43%	KT S.p.A.	43%
Unincorporated JV Philippines (*)	Philippines	PHP	-	65%	Tecnimont Philippines Inc.	65%

(*) *Joint control agreement incorporated to manage a specific project and measured as a joint operation in accordance with the introduction of IFRS 11.*

ACCOUNTING POLICIES

The main accounting policies adopted in the preparation of the financial statements are illustrated below.

The accounting policies utilized in preparing the 2021 consolidated annual financial statements are the same as those adopted in preparing the 2020 consolidated financial statements, except for the changes resulting from the first-time adoption of the international accounting standard which entered into effect on January 1, 2021, as discussed above in the “Accounting standards applied from January 1, 2021” paragraph.

Business combinations

Business combinations are recorded in accordance with the purchase method. The cost of the business combination is measured as the aggregate of the fair values, at the date of exchange, of assets acquired, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the company acquired.

The identifiable assets, liabilities and contingent liabilities of the company acquired that comply with the conditions for recognition under IFRS 3 are recognized at their fair value at the acquisition date, with the exception of non-current assets (or disposal groups) which are classified as held-for-sale in accordance with IFRS 5 and are recognized and measured at fair value, net of sales costs.

Goodwill deriving from acquisition is recognized under assets and initially measured at cost, represented by the excess of the acquisition cost compared to the Group share in the present value of the identifiable assets, liabilities and contingent liabilities recognized. Where, after the measurement of these values, the Group share in the present value of the identifiable assets, liabilities and contingent liabilities exceeds the acquisition cost, the excess is immediately recorded in the Income Statement.

The share of minorities in the entity acquired is initially measured in line with their share of the present value of the assets, liabilities and contingent liabilities recognized.

Investments in associates

An associate is a company in which the Group has significant influence, but not full control or joint control. The Group exerts its influence by taking part in the associate’s financial and operating policy decisions.

The results and assets and liabilities of associates are recorded in the consolidated financial statements under the Equity method, except where the investments are classified as held-for-sale in which case they are recognized separately in accordance with IFRS 5 - Non-current assets held-for-sale and discontinued operations.

Under this method, investments in associates are recorded in the Balance Sheet at cost, adjusted for changes after the acquisition in the net assets of the associates, less any impairment in the value of the individual investments. Losses of associates in excess of the Group share (including medium/long-term interests which, in substance are part of the Group net investment in the associate) are not recorded unless the Group has an obligation to cover them.

Investments in joint ventures and joint operations

A joint operation is a contractual agreement whereby the Group undertakes a jointly controlled business venture with other parties. Joint control is defined as the contractually shared control over a business activity and only exists when the financial and operating strategic decisions of the activities requires the unanimous consent of the parties sharing control.

When an enterprise of the Group undertakes its activities directly through joint operations, the assets and liabilities jointly controlled with other participants are recognized in the consolidated financial statements of the company based on the Group holding and classified in accordance with their nature. The liabilities and the costs incurred directly in relation to the activity jointly controlled are recognized on the basis of the accruals principle. The share of the gains deriving from the sale or use of the resources produced by the joint operation, net of the relative share of expenses, are recognized when it is probable that the economic benefits deriving from the operations will benefit the Group and their amount may be measured reliably.

Joint venture agreements, which involve the incorporation of a separate entity in which each participant has a shareholding, are considered joint control investments. The Group records the joint control investments utilizing the equity method. Under this method, the joint ventures are recorded in the Balance Sheet at cost, adjusted for changes after acquisition in the net assets of the associates, less any impairment in the value of the individual investments. The losses of the associates exceeding the Group interest and including medium/long-term interests (which, in substance are part of the Group net investment in the associates) are not recorded, unless the Group has an obligation to cover such losses.

Unrealized profits and losses on transactions between a Group company and a joint controlled entity are eliminated to the extent of the Group’s share in the joint controlled entity, except when the unrealized losses constitute a reduction in the value of the asset transferred.

Goodwill

Goodwill deriving from the acquisition of a subsidiary or a joint controlled entity represents the excess of the acquisition cost over the Group’s share in the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or the joint controlled entity at the acquisition date. Goodwill is recorded as an asset and an impairment test is undertaken annually.

Impairments are recorded immediately in the Income Statement and may not be subsequently restated, in accordance with IAS 36 - Impairment of assets.

For the impairment test, the goodwill acquired in a business combination must be allocated to each cash-generating unit of the acquirer, or groups of cash-generating units, which will gain from the synergies of the business combination. When the recoverable value of the cash-generating unit (or groups of cash-generating units) is lower than the book value, a write-down is recorded.

On the disposal of a subsidiary or joint controlled entity, the part of the goodwill attributable to the disposal is included in the measurement of the gain or loss.

The goodwill deriving from acquisitions made before the transition date to IFRS are maintained at the values resulting from the application of Italian GAAP at that date and tested for any loss in value.

Non-current assets classified as held-for-sale

Non-current assets (and disposal groups) are classified as held-for-sale when their carrying value is expected to be recovered by means of a sales transaction rather than through use in company operations. This condition is met only when the sale is highly likely, the assets (or group of assets) are available for immediate sale in their current condition and, consequently, management is committed to a sale, which should take place within 12 months of the classification as held-for-sale.

Non-current assets (and disposal groups) classified as held-for-sale are measured at the lower of their previous carrying value and market value less selling costs.

Contractual assets and liabilities

A client contract is identified and assessed on the basis of IFRS 15 following the tender contract's signature which establishes mutual obligations arising between the Group and the buyer.

In terms of contracts with Maire Tecnimont Group clients, the performance obligation is generally represented by the works in their entirety. In fact, even though individual performance obligations envisaged in the contract can be distinct by their very nature, in the contract's context, these are characterized by high interdependence and integration geared towards transferring the whole infrastructure to the buyer.

Nevertheless, in cases where several performance obligations are identified under the same contract, it is necessary to allocate the appropriate portion of the contractual price to the different performance obligations. In Group commercial practices, client contracts generally specify the price components for each contractual item in detail (observable contract price).

Revenues are recognized when (or over time) the performance obligation is fulfilled by transferring to the client the goods or service (or the asset) promised. The asset is transferred when (or over time) the client acquires control.

Contracts with clients typically signed as part of the Group and concerning the execution of multi-year contracts, envisage obligations to be fulfilled over time on the basis of the gradual progress of activities and the transfer of the facilities' control over time to the buyer since - the client controls the facility covered by the contract at the moment when it is built (the building is built directly on the land made available by the buyer) and - the works under construction cannot have an alternative use and the Maire Tecnimont Group retains the right to collect payment for services rendered during construction.

In choosing the appropriate measurement model of the transfer of control to the buyer, input-based criteria were adopted by the Group for current contracts.

With the input-based method, revenues are recognized on the basis of resources used by the entity to fulfil the contractual performance obligation (such as, resources consumed, dedicated labor hours, costs incurred, time spent or machine-hours used) with respect to total budgeted inputs.

The method considered to be more representative for revenue recognition is cost-to-cost, determined by applying the progress percentage as the ratio between costs incurred and total expected costs, to expected total contractual revenue. In calculating the ratio of costs incurred and expected costs, only costs contributing to the effective transfer of control of the goods and/or services are considered. In so doing, this method enables an objective measurement of the transfer of control to the client since it takes into consideration the quantitative variables relating to the contract in its entirety.

Given the engineering and operating complexity, the size and multi-annual duration of the projects, contractual payments, in addition to the basic consideration set out in the contract, include additional amounts covering elements that must necessarily be taken into account. In particular, amounts arising from "Reserves" or "Claims" are additional charges in respect of higher costs incurred (and/or to be incurred) for unforeseeable causes or events that are not attributable to the buyer, "Change Orders" after major works are performed (and/or to be sustained) or order modifications not formalised under additional deeds. The determination of additional charges is subject, by its very nature, to a certain degree of uncertainty both on the amounts that will be recognized by the client and on the payment periods which usually depend on the outcome of negotiations between the parties or by decisions from judicial bodies.

This type of contractual charge is attributed to "Contractual Changes" - a contractual change exists if this is approved by both contracting parties; approval may take place in writing, by verbal agreement or through industry commercial practices.

A contractual change can exist despite the presence of a dispute concerning the object and/or price of the contract. In this case, it is first necessary to assess whether rights to payment are contractually envisaged, generating an enforceable right. Once the enforceable right is identified, the recognition of the "Reserves" or "Claims" and charges for additional requests to the buyer requires defining whether the circumstance that associated revenues will not be reversed in future is considered to be "highly probable". For the purposes of this assessment, all significant aspects and circumstances will be taken into consideration, including contractual terms and conditions, industry commercial and negotiating practices or other supporting factors, as well as technical and legal assessments. Documentation produced by other bodies (Arbitration Boards, Dispute Adjudication Boards, etc) will also be considered.

The contract with the buyer may envisage the accrual of penalty liabilities arising from non-compliance with specific contractual clauses (such as failure to comply with delivery times).

Once the entity is in possession of the elements to define how “reasonably foreseeable” is the accrual of contractual penalties, these will be considered as a reduction in contractual payments. In order to carry out these assessments, all available indicators will be analyzed to estimate the probability of contractual non-compliance that may lead to the accrual of penalty liabilities.

The practice in the sector in which the Maire Tecnimont Group operates is that payment for works (generally running into several years) is financially regulated through the disbursement of an advance and thereafter, through on-account invoicing. In general, buyer payment flows (an advance and subsequently, Interim Payment Certificates [IPC]) are designed in such a way as to make the construction project sustainable for the contractor and to limit exposure.

The contractual advance is used for the following purposes: - to finance the initial order investments and to disburse associated contractual advances to be paid to sub-contractors; - as a form of contractual guarantee to cover any risks of breach of contract by the buyer. The recovery of the contractual advance is reabsorbed through subsequent IPC/on-account invoicing, in line with the production cycle of the multi-year contract. Moreover, it is necessary to consider that the Group operating cycle is normally multi-year and therefore, the correct duration is considered to determine the existence of a significant financial component.

In view of the above considerations, the presence of significant financial components within contractual fees was not assessed in contracts that provide for an adjustment of advances and on-account invoicing in line with industry practices and/or, in any case, of amounts serving as ‘guarantees’ and with a timeframe that is adequate for the cash flows required by the project’s execution.

The new accounting standard does not explicitly regulate the accounting treatment of loss-making contracts, but refers to the method of accounting defined by IAS 37. In particular, according to the IAS 37 definition, a contract is onerous when non-discretional costs (“unavoidable costs of meeting the obligation”) exceed the expected economic benefits. Any expected loss is accounted for by the Group in the financial statements when this loss becomes probable on the basis of the latest estimates performed by management to adjust the order.

Since they cannot be qualified as incremental costs, costs that are incurred independently of the order’s acquisition are expensed to the income statement not contributing to contractual advancement (cost not attributable to Cost-to-Cost).

Costs for the contract’s execution, that is, those costs that refer directly to the contract, generate and improve the resources that will be used to satisfy the performance obligation and are recoverable through the contract’s future economic benefits, are capitalized by the Group.

The practice in the industry in which the Maire Tecnimont Group operates is that usually these types of costs are represented by pre-production costs which, in some contractual cases, are expressly recognized by the buyer through specific items under the contract, while, in other cases, they are not expressly recognized and are paid through the order’s overall margin. The explicit recognition of these costs implies that when they are incurred the transfer of control of the works covered by the project takes place. Consequently, such costs should not be capitalized and have to contribute to the determination of contractual advancement.

Should the contract not envisage explicit recognition, in compliance with the three conditions mentioned above, pre-production costs are capitalized and consistently depreciated to correspond with the transfer of control of the goods/services to the client.

Assets and liabilities arising from the contract are classified in the “Contractual Assets” and “Contractual Liabilities” accounts in the financial statements, respectively in the assets and liabilities section. Based on the standard’s provisions, the classification between contractual assets and liabilities is on the basis of the ratio between Maire Tecnimont Group’s service and the client’s payment. If the resultant value is positive, the project’s net balance is shown in the “Contractual Assets” account and, conversely, in the “Contractual Liabilities” account. If, on the basis of the contract, the values in question express an unconditional right to payment, they are presented as receivables.

The Group classifies exchange differences deriving from commercial operations under operating results, and in particular in the accounts other operating revenues and other operating costs, depending on whether the net effect is a gain or loss.

The amounts matured, where expressed in foreign currencies, are calculated taking into account the exchange rates at the date of the relative hedging operations.

Other revenues

"Other revenues" mainly includes income components from projects under execution and deriving from industrial activities and accessory operations not directly related to the contract with the client. The account is measured according to other standards or specific Group "Accounting Policies". In particular, this account includes income concerning: gains from the sale of fixed assets; income from the recharge of costs, prior year income, contractual penalties, exchange gains, insurance indemnities and the utilization of the doubtful debt provision.

The Company also classifies exchange differences deriving from commercial operations under operating results, and in particular in the accounts other operating revenues and other operating costs, depending on whether the net effect is a gain or loss.

Property, plant and equipment

Plant and machinery utilized for the production or the provision of goods and services are recorded in the financial statement at historic cost, including any accessory and direct costs necessary for the asset to be available for use.

Plant, machinery & equipment are recognized at cost, net of accumulated depreciation and any write-down for loss in value.

Property is recorded at fair value at the revaluation date net of any subsequent accumulated depreciation and any subsequent loss in value accumulated and is depreciated based on their estimated useful lives. Buildings are revalued annually on the basis of an independent expert's valuation. The positive/negative difference is recorded in the revaluation reserve under equity.

Depreciation is calculated on a straight-line basis on the cost of the assets, according to their estimated useful life, which is reviewed annually at following rates:

Asset Category	Rate
Land	0%
Buildings	from 2% to 10%
Plant & machinery	from 7.5% to 15%
Industrial & commercial equipment	15%
Furniture	12%
EDP	20%
Motor vehicles	from 20% to 25%

Gains and losses deriving from the disposal or sale of assets are determined as the difference between the sales revenue and the net book value of the asset and are recorded in the Income Statement in the year.

Ordinary maintenance costs are fully charged to the income statement.

Improvements on the original value of the assets are capitalized and depreciated based on their residual utilization.

Leasehold improvements which may be recorded as an asset are recognized under property, plant and equipment and depreciated at the lower between the residual duration of the contract and the residual useful life of the asset.

Grants

Capital grants are recognized when there is reasonable certainty that they will be received and that the conditions will be satisfied for their attainment.

Capital grants are recorded as a direct reduction of the asset to which they refer. The value of an asset is adjusted by straight-line depreciation, calculated on the basis of the residual useful life of the asset.

Intangible assets

Intangible assets acquired separately are recorded at cost less amortization and any net loss in value. Amortization is calculated on a straight-line basis over the useful life of the asset. The amortization method and the residual useful life are reviewed at the end of each accounting period. The effects deriving from the change in the amortization method and the residual useful life are recorded prospectively.

Intangible assets generated internally – research and development costs

Research costs are expensed to the income statement in the period in which they are incurred.

Intangible assets generated internally deriving from the development phase of a Group internal project are only recognized under assets when the following conditions are met:

- There is the technical feasibility to complete the intangible asset for its use or sale;
- There is the intention to complete the intangible asset and utilize or sell the asset;
- There is the capacity to utilize or sell the intangible asset;
- It is probable that the asset will generate future economic benefits;
- There exists the technical, financial and other resources in order to complete the development and utilize or sell the asset during the development phase.

The initial amount recognized of the intangible assets generated internally corresponds to the sum of the expenses incurred at the date in which the asset meets the criteria described above. Where these expenses may not be recorded as intangible assets generated internally, the development expenses are expensed in the Income Statement in the period in which they are incurred.

Subsequent to initial recognition, the intangible assets generated internally are recorded at cost less any accumulated loss in value, as occurs for intangible assets acquired separately.

Intangible assets acquired through a Business Combination

Intangible assets acquired in a business combination are identified and the goodwill is recorded where they satisfy the definition of intangible assets and their fair value may be determined reliably. The cost of these intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, the intangible assets acquired in a business combination are recorded at cost less amortization and any accumulated loss in value, as occurs for intangible assets acquired separately.

Right-of-use - Leasing

IFRS 16 establishes a single model for accounting for lease contracts involving the recognition by the lessee of a right-of-use asset and a lease liability representing the obligation to make the payments required under the contract. At the commencement date (the date on which the asset is made available for use), the right of use is initially measured at cost as the sum of the following:

- the initial amount of the lease liability;
- the payments due for the lease made on or before the commencement date, net of any incentives received for the lease;
- the initial direct costs incurred by the lessee;
- the estimated costs that the lessee expects to pay to dismantle and remove the underlying asset and restore the site in which it is located or to restore the underlying asset to the conditions provided for in the terms and conditions indicated in the lease contract.

After initial recognition, the right of use is amortized, tested for impairment and adjusted to reflect any restatement of the lease liability. Amortization is applied on a straight-line basis according to the term of the contract, taking account of renewal/termination options that are highly likely to be exercised. Only if the lease provides for a reasonably certain purchase option is the right-of-use asset amortized systematically over the entire useful life of the underlying asset.

Impairment of tangible, intangible and financial assets

At each reporting date, the Group reviews the carrying value of its intangible, tangible and financial assets to determine if there are indications that these assets have incurred a loss in value. Where it is not possible to make an estimate of the recoverable amount of an asset individually, the Group makes an estimate of the recoverable amount of the cash-generating unit the asset belongs to. When it is established that a potential loss exists, an estimate of the recoverable amount is made in order to identify the amount of the loss.

The indefinite intangible assets, as for goodwill, are verified annually and whenever there is an indication of a possible loss in value, in order to determine if there has been a loss in value.

The recoverable value is the higher between fair value less costs to sell and value in use. In determining the value in use, the estimated future cash flows are discounted on a pre-tax basis which reflects the market assessment of the time value of money and the risks specific to the asset. In the determination of this value various cash flow scenarios are utilized (sensitivity analysis).

If the recoverable value of an asset (or a CGU) is considered lower than its carrying value, it is reduced to its recoverable value. A loss in value is recognized in the income statement immediately.

Where, subsequently, the loss in value no longer exists or reduces, the book value of the asset is increased up to the new estimate of the recoverable value and may not exceed the value which would be determined where no loss in value had been recorded. The reversal of a loss in value is immediately recorded in the income statement.

In addition, IFRS 16 requires that lessees test rights of use associated with leased assets for impairment in accordance with IAS 36, similarly to other owned company assets. Accordingly, when there are signs of impairment, it must be determined whether the right of use may be tested on a stand-alone basis or at the level of CGU.

The Group decided to include the right-of-use net of the related lease liability in the CGU being assessed and determine the value in use considering the outlays for lease rentals using a pre-IFRS 16 discounting rate.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost includes direct materials and, where applicable, direct labor costs, general production costs and other costs which are incurred in bringing the inventories to their present location and condition. The cost is calculated using the weighted average cost method. The net realizable value is represented by the estimated sales price less the estimated cost for completion and estimated costs to sell.

Financial instruments

The classification of the financial instruments as per IFRS 9 is based on the “business model” and on the characteristics of the contractual cash flows of the instruments. The “business model” represents the management model of the financial assets held by the Group on the basis of the strategic objectives defined, in order to generate cash flows by collecting the contractual cash flows, selling financial assets or managing both models.

Financial assets and liabilities are recorded in the financial statements when the Group has the contractual obligations of the instrument.

Financial assets

The “business model” utilized by the Group are:

- Held To Collect (HTC), managed to collect contractual cash flows: corresponding to the wish to hold the instruments until maturity;
- Held To Collect and Sell (HTC&S), managed to collect contractual cash flows and for sale: corresponding to the wish to meet liquidity needs and minimize liquidity management cost and maintain the risk profile;
- Other – residual category, managed for trading; corresponding to the wish to maximize contractual cash flows through sale.

Receivables

In considering the classification of financial assets account was taken of the Group’s business model and characteristics of the cash flows. In particular, trade receivables are classified under the category of claims held for collection (Held To Collect), corresponding to the wish to hold the instruments until maturity.

Receivables are initially recognized at fair value and subsequently measured at amortized cost, utilizing the effective interest rate method, net of the relative losses in value with reference to amounts considered non-recoverable, recorded in a specific doubtful debt provision. The original amount is restated whenever the reasons for the adjustment no longer apply. In this case, any reversal of previous provisions are recorded in the income statement and may not exceed the amortized cost of the receivable in the absence of the previous adjustments.

Trade receivables which mature within the normal commercial terms are not discounted. Receivables in currencies other than the operational currency of the individual companies are recorded at the period-end exchange rates.

Other financial assets

Financial assets are recognized at cost, recorded at the trading date, represented by the fair value of the initial amount given in exchange, increased by any transaction costs (for example: commissions, consultancy etc.) directly attributable to the acquisition of the asset. After initial recognition, these assets are measured at amortized cost using the original effective interest method.

Financial assets held for speculative purposes in the short-term are recognized and measured at fair value, with changes recorded in the income statement.

With regards to the valuation of financial assets concerning minority investments, IFRS 9 requires fair value measurement. The investments in other companies of the Group mainly refers to consortiums incorporated for specific projects whose duration is related to the project span. These investments are measured at fair value with changes to the statement of comprehensive income, although as not listed on an active market, the fair value is therefore estimated, although does not vary from the cost and the relative portion of equity.

Cash and cash equivalents

Cash and cash equivalents include cash balances and bank current accounts and deposits repayable on-demand, plus other highly liquid short term financial investments that can be readily converted into cash and are not subject to a significant risk of a change in value.

Impairment model

The method is based on a predictive approach (expected credit losses model), based on the probability of default and the capacity of recovery in the event of a loss given default.

In the estimate of the impairment of receivables official ratings are utilized where available or internal ratings, to determine the probability of default of the counterparty; the capacity of recovery was also identified in the case of a loss given default of the counterparty based on historical experiences and different possible recovery methods.

Financial liabilities and Equity instruments

Financial liabilities and Equity instruments issued by the Group are classified in accordance with the underlying contractual agreements and in accordance with the respective definitions of liabilities and Equity instruments. These latter are defined as those contracts which give the right to benefit from the residual interest of the assets of the Group after the reduction of the liabilities. The accounting policies adopted for specific financial liabilities and Equity instruments are described below.

Payables

Payables are initially recorded at cost, corresponding to the fair value of the liability, net of directly attributable transaction costs.

Subsequent to initial recognition, the payables are measured under the amortized cost method, utilizing the effective interest rate method. This category includes interest bearing bank loans, overdrafts, non-convertible bonds and trade payables.

The trade payables which mature within the normal commercial terms are not discounted. Payables in currencies other than the operational currency of the individual companies are recorded at the period-end exchange rates.

Fair value measurement

Fair value is the amount in which an asset (or a liability) may be exchanged in a transaction between independent counterparties with reasonable knowledge of the market conditions and significant events related to the item under negotiation. The presumption that an entity is fully operational and does not need to liquidate or significantly reduce activities, or undertake operations at unfavorable conditions, is fundamental to the definition of fair value. The fair value reflects the credit quality of the instrument as it incorporates the counterparty risk.

Receivables and Payables

For receivables and payables recorded in the financial statements at cost or amortized cost, the fair value for the purposes of the disclosure to be provided in the Explanatory Notes is determined as follows:

- for short-term receivables and payables, it is considered that the value paid/received reasonably approximates fair value;
- for medium/long-term receivables/payables, the measurement is principally undertaken through the discounting of future cash flows. The discounting of the expected cash flows is normally undertaken through the zero coupon curve increased by the margin represented by the specific credit risk of the counterparty.

Other financial instruments (Debt and equity securities)

The fair value for this category of financial asset is measured taking as reference the listed prices at the reporting date of the financial statements where existing, otherwise with reference to technical valuations utilizing as input exclusively market data.

Other financial instruments (Minority holdings)

The fair value for this category of financial assets is calculated according to valuation models whose input is not based on observable market data ("unobservable inputs").

Financial liabilities - Leasing

Under IFRS 16, the lease liability is initially measured at the present value of the payments due at the commencement date, which include:

- the fixed payments that are reasonably certain to be paid, net of any lease incentives to be received;
- the variable payments due that depend on an index or a rate (variable payments such as rentals based on the use of the leased asset, are not included in the lease liability, but taken to the income statement as operating costs over the term of the lease contract);
- any amounts expected to be paid as security for the residual value granted to the lessor;
- the exercise price of the purchase option, if the lessee is reasonably certain to exercise it;
- the penalty payments for breaking the lease, if the lessee is reasonably certain to exercise this option.

The present value of these payments is calculated by adopting a discount rate equal to the implicit interest rate on the lease or, where this cannot be easily determined, using the lessee's incremental financing rate. The lessee's incremental financing rate is based on the Group's incremental financing rate, i.e. the rate that the Group would have to pay to borrow the funds needed to purchase an asset of similar value in a similar financial context and with similar terms and conditions.

Future cash flows are therefore discounted at the risk free rate of the respective currencies, plus a spread for the specific risk of the Company, established as the difference between the yield on the listed Maire Tecnimont S.p.A. debt securities against an instrument with similar features but without risk.

After initial recognition, the lease liability is measured at amortized cost (i.e., by increasing its carrying amount to take account of the interest on the liability and decreasing it to take account of the payments made) using the effective interest rate and is redetermined, with a balancing entry to the carrying amount of the related right-of-use, to reflect any modifications to the lease following contractual renegotiations, changes in indices or rates or modifications relating to the exercise of contractually established renewal, early termination or leased asset purchase options.

The extension and termination options are included in a series of lease agreements mainly related to Group properties. To determine the duration of the lease agreement, management takes account of all facts and circumstances that can

generate a financial incentive to exercise an option to extend or not exercise an option to terminate.

Extension options (or periods following termination options) are included in the duration of the lease agreement only if it is reasonably certain that the lease agreement will be extended (or not terminated).

The Standard eliminates the classification, for the lessee, of leases as operating or financial, with limited exceptions to the application of the accounting treatment (allocation of lease rentals to the income statement on an accrual basis for leases that qualify as "short-term" or "low-value"). For the financial statements of lessors, however, the separation is maintained between operating and financing leases.

The Group adopts the exemptions allowed by the standard; therefore, leasing costs referring to rental or lease agreements that envisage variable payments, or assets of minimal value (i.e. less than USD 5,000) or with a duration of less than 12 months, are expensed gradually over time as they are incurred.

Equity instruments

Equity instruments issued by the Company are recognized based on the amount received, net of direct issue costs.

Convertible bonds

In accordance with IAS 32 “Financial Instruments: Presentation in the financial statements” convertible bonds are recorded as hybrid financial instruments, formed by two components which are treated separately only if significant: a liability and a conversion option. The liability corresponds to the present value of the future cash flows based on the current interest rate at the issue date for an equivalent non-convertible bond. The value of the option is defined as the difference between the net amount received and the amount of the liability and is recorded under equity. The value of the conversion option in shares does not change in subsequent periods. On the contrary, where the characteristics of the bond result in, on the exercise of the conversion right, the right of the company to deliver shares or offer a combination of shares and cash, the option is recognized as a financial liability for the incorporated host, measured at fair value through P&L, while the difference compared to the original nominal value or rather the financial liability (host) is recorded at amortized cost.

Warrants

On April 30, 2020, the Maire Tecnimont Shareholders' Meeting approved, pursuant to Article 114-*bis* of Legislative Decree No. 58/1998 of the CFA, the introduction of the 2020-2024 Long Term Investment Plan to support the Group's Green Acceleration project, based on financial instruments of the subsidiary NextChem S.p.A. (56.67% owned by Maire Tecnimont and 43.33% by Maire Investments, a related party and outside the Maire Tecnimont Group); Company identified as a vehicle for the roll-out of the Green Acceleration project of the Maire Tecnimont Group.

The Plan supports the Green Acceleration undertaken by the Group. NextChem S.p.A.'s business and development initiatives represent the focus of the Plan, which aims to:

- support the growth of the Company, so as to develop the strategic path undertaken to best respond to the challenges posed by the new market dynamics in terms of the evolution of the energy and chemical business, within an industrial framework increasingly oriented towards an ESG-driven vision and a sustainable development approach within a Circular Economy;
- strengthen the loyalty and commitment of the Beneficiaries involved, as their contribution is fundamental for the long-term success of the above-mentioned plan;
- incentivize Beneficiaries to create value over the long-term horizon shareholders, ensuring full alignment with the interests of shareholders and stakeholders.
- the Plan involves, as Beneficiaries, selected Managers of the Company, as well as some top executives of Maire Tecnimont Group companies who can significantly contribute to the success of the Project.

The Investment Plan provided for a direct investment, against payment and with the use of own capital by each Beneficiary and is divided into three distinct series of warrants A1, A2 and B, which are in turn divided into three further tranches. On December 16, 2020, NextChem S.p.A. issued the three series of warrants, which were in turn divided into three further tranches that were actually subscribed and paid by the beneficiaries in July 2021. There are specific exercise conditions for each tranche of each series of warrants.

In view of the implementation of the Plan, NextChem's Shareholders' Meeting (February 2021) therefore resolved a share capital increase at par value, for payment (by the deadline of December 31, 2027) and divisible, with exclusion of option rights of the shareholders Maire Tecnimont and Maire Investments S.p.A. irrevocably reserved for the Beneficiaries of the New Plan for a total of Euro 2,960,570.00 of which Euro 2,000,000 to be allocated to share capital and Euro 960,570 to be allocated to share premium, through the issue of a maximum of 2,000,000 new shares without par value, as follows:

- Euro 1,000,000 (approximately 5% of the current paid-in capital), to service the exercise of Warrants A1 and A2 for the issue, even in several tranches at the end of the Vesting Period, of up to 1,000,000 NextChem Shares. This portion of the share capital increase will be subscribed and paid by the Beneficiaries of the Plan who are the recipients of Warrants A1-A2 at the end of the Vesting Period, following the fulfilment of the conditions set out in the Plan with reference to this series of Financial Instruments and, therefore, based on the "conversion ratio" identified in view of the results achieved;
- Euro 1,000,000 (approximately 5% of the current paid-in capital), to service the exercise of Warrants B for the issue, even in several tranches at the end of the Vesting Period, of up to 1,000,000 NextChem Shares. This portion of the share capital increase will be subscribed and paid by the Beneficiaries of the Plan who are the recipients of Warrants B at the end of the Vesting Period, following the fulfilment of the conditions set out in the New Plan with reference to this series of Financial Instruments.

Consequently, the share capital of NextChem S.p.A., following the registration of the resolution for the capital increase mentioned above, was approved for Euro 20,095,252.00, of which Euro 18,095,252.00 subscribed and paid in.

The subscription price of the warrants, which is different for the three separate series, was determined by an independent expert on the basis of an appraisal of the Fair Market Value (FMV) of the instruments.

The conditions for the exercise of the warrants are (i) the continuation, as of the Vesting Date (5th anniversary following the Issue Date), by the Holder of the employment, consultancy and/or administrative relationship, as the case may be, with Maire Tecnimont and/or NextChem and/or another company of the Maire Group, and the absence of resignations or notices of termination of the relationship, as well as (ii) the achievement, as of the Vesting Date, of certain parameters for the growth of the value of Nextchem S.p.A. linked to indicators of Ebitda and Equity Value and the Value of the Maire Tecnimont Share.

Upon exercise of the Warrants, Warrant holders will be assigned Converted Shares based on the Exercise Ratio calculated according to a formula that provides for the subscription of a number of shares that is variable, although the number is limited within a maximum range, essentially depending on the parameters indicated above in the exercise conditions of Nextchem S.p.A.'s Ebitda and Equity Value.

Failure to meet the Warrant Exercise Conditions after the Vesting Period has concluded will result in Holders forfeiting their right to exercise the Warrants and, therefore, to receive the underlying NextChem Converted Shares.

The regulations of the Warrants and of the ancillary investment agreements also provide for acceleration rules during the Vesting Period (by way of example, in the event of IPO, change of control and sale), Call Option on the Warrants and Conversion Shares by Maire Tecnimont and Maire Investments, Lock-Up Period for the transfer of the Shares by the Holder and a Put Option of NextChem S.p.A. granted to the Holder for the Conversion Shares.

The capital increase through the exercise of warrants falls within the scope of application of international accounting standard IAS 32 "Financial instruments: presentation in the financial statements".

Paragraph 15 of IAS 32 states that "the issuer of a financial instrument shall classify the instrument, or its components, upon initial recognition as a financial liability, financial asset, or equity instrument in accordance with the substance of the contractual arrangements and the definitions of financial liability, financial asset, and equity instrument".

In particular, paragraph 16 provides that "when an issuer applies the definitions in paragraph 11 ("rights, options or warrants that give the right to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are to be considered equity instruments if the entity offers the rights, options or warrants pro rata to all holders of the same class of its own equity instruments") to determine whether a financial instrument is an equity instrument rather than a financial liability, the instrument is an equity instrument if, and only if, both conditions (a) and (b) below are met":

a) The instrument does not include any contractual obligations:
   i. to deliver cash or another financial asset to another entity;
   ii. to exchange financial assets or liabilities with another entity on terms that are potentially unfavorable to the issuer.
b) If the instrument will or may be settled through equity instruments of the issuer, it is:
   i. a non-derivative that does not involve any contractual obligation for the issuer to deliver a variable number of its own equity instruments; or
   ii. a derivative that will only be settled by the issuer exchanging a fixed amount of cash or other financial asset for a fixed number of equity instruments.

A contractual obligation, including an obligation arising from a derivative financial instrument, that will or may result in a future receipt or delivery of the issuer's equity instruments, but that does not meet conditions (a) and (b) above, is not an equity instrument" (“fixed for fixed test”).

Paragraph 21 further clarifies that the warrant is a financial liability even if the entity must or can settle it by delivering its own equity instruments. It is not an equity instrument because the entity uses a variable amount of its own equity instruments as a means of settling the contract.

Therefore, in order to consider a warrant as an equity instrument, it must pass the “fixed for fixed test”, i.e., the warrant must provide that the number of shares that can be subscribed to be fixed in a certain quantity (fixed) and that the consideration received in the event of the exercise of the warrant is also determined in any currency in a certain quantity.

Taking into account the difficulties in interpreting IAS 32, the fixed-for-fixed test was not passed due to the presence of the Exercise Ratio mechanism calculated according to the formula that provides for the subscription of a number of shares that varies according to the EBITDA and Equity Value parameters of Nextchem S.p.A. at the date of the financial statements.

Therefore, in accordance with the interpretation given to IAS 32, a non-current liability has been recorded in accordance with IFRS 9 in the balance sheet as at December 31, 2021. The fair value of the warrant was measured using a model based on the estimated value of Nextchem S.p.A. shares and the volatility of the stock market values of shares in a basket of comparables. The fair value has been updated to December 31, 2021 and will be remeasured at each reporting date with a balancing entry in the income statement (financial management).

This liability has not been classified as a financial liability within the net financial position as the Company has no contractual obligation to deliver cash to the holder of the Warrants; - no interest of any kind accrues on this liability; - this liability arises from an instrument that will provide the Company with a capital increase upon its possible future exercise.

Derivative instruments and hedge accounting

The Group uses derivative instruments (swap contracts, options, forwards) to hedge the risks deriving from fluctuations in interest rates, in the purchase costs of certain raw materials and in exchange rates relating both to cash flows from contracts denominated in foreign currency and to bank loans.

The structure of the contracts in place is in line with the Group “hedging” policy.

IFRS 9 requires amendments to the rules for the management of hedge accounting relations which are closer to the recognition logic utilized by the Group within its Risk Management.

As per IFRS 9 the effectiveness of the hedging relationship can only be on a prospective basis and must be demonstrated both qualitatively and quantitatively, without any threshold level defined by the standard.

Derivative instruments are measured at fair value with recognition of any changes in fair value to the income statement where they do not satisfy the conditions to be considered as hedges either due to the type of instrument or the choice of the company not to undertake the efficiency test. Derivative instruments are classified as hedging instruments when the relation between the derivative and the hedged item is formally documented and the effectiveness of the hedge, periodically verified, is high in accordance with IFRS 9.

The accounting of the hedging instruments differs depending on the objective of the hedge: cash flow hedges or fair value hedges.

Cash flow hedge

The changes in the fair value of the derivative instruments which are designated, and which are efficient, to hedge future cash flows relating to the Group contractual commitments are directly recorded under Equity, while the non-efficient portion are immediately recorded in the Income Statement.

The amounts recorded directly under Equity are included in the Income Statement in the same period that the contractual commitment hedged is included in the Income Statement.

Fair value hedge

For the efficient hedge of a "change in fair value" the item hedged is adjusted by the fair value changes attributable to the risk hedged recognized through the Income Statement. The gains and losses deriving from the fair value of the derivatives are also recorded in the income statement.

The changes in the fair value of the derivative instruments which do not qualify as hedges are recorded in the Income Statement in the period in which they arise.

Embedded derivatives

Embedded derivatives included in contracts are treated as separate derivatives only when:

- their risks and features are not strictly related to those of the host contracts;
- the separate embedded instrument satisfies the definition of a derivative;
- the hybrid instrument is not recognized at fair value with changes recorded through P&L.

Where an embedded derivative is separated, the relative host contract must be recorded in accordance with IFRS 9, if the contract is a financial instrument, and in accordance with the other accounting standards if the contract is not a financial instrument.

Fair value calculation

The fair value of financial instruments is represented by the current market price or, in their absence the application of appropriate financial valuation models which take into consideration all the factors adopted by market operators and the prices obtained in a real market transaction. In particular, the fair value of the interest rate swaps is measured discounting the expected cash flows, while the fair value of currency forward contracts is determined on the basis of the forward exchange rate at the reference date and the differential rates between the currencies.

Derecognition of financial instruments

Financial assets are eliminated from the balance sheet when the right to receive the cash flows no longer exists and all the related risks and benefits are substantially transferred (so-called derecognition) or where the item is considered definitively non-recoverable after the completion of all the necessary recovery procedures. Financial liabilities are derecognized from the balance sheet when the specific contractual obligations are extinct. Receivables transferred following factoring operations are eliminated from the balance sheet only when the related risks and benefits of ownership have been substantially transferred. With recourse receivables and non-recourse receivables which do not satisfy these requisites remain on the balance sheet of the company, even if legally transferred; in this case a financial liability of a similar amount is recorded under liabilities against advances received.

Shareholders’ Equity

Share Capital

The share capital is the amount of the subscribed and paid-in capital of the Parent Company. The costs strictly related to the issue of new shares are classified as a reduction of the share capital when they refers to costs directly attributable to the equity operation.

Treasury Shares

They are recorded as a decrease in Group Shareholders' Equity. The costs incurred for the issue of new shares by the Parent Company are recorded as a reduction in equity, net of any deferred tax effect. The gains or losses for the purchase, sale, issue or cancellation of treasury shares are not recorded in the income statement.

Retained earnings/(accum. losses)

This refers to the results of previous years for the part not distributed or recorded under reserves (in the case of profit) or recapitalized (in the case of losses). The account also includes the transfers from other equity reserves when those reserves are no longer required as well as the effects of the recording of changes to accounting policies and material errors.

Other reserves

These include the fair value reserves recorded under equity in accordance with the applicable criterion, the treasury share reserve, the legal reserve, the translation reserve and the other statutory reserves.

Valuation reserve

These include the cash flow hedge reserve relating to the “effective” portion of the hedge, the cost of hedging reserve which includes the time value of currency options, the actuarial reserve on defined benefit plans recognized directly to equity and the changes in fair value of minority investments through OCI reserve.

Contractual liabilities deriving from financial guarantees

The contractual liabilities deriving from financial guarantees are initially measured at their fair value and subsequently measured at the higher between:

- the amount of the contractual obligation, determined in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets;
- the initial amount recorded net, where applicable, of the accumulated amount recorded in accordance with the recognition of the revenues as described above.

Provisions for risks and charges

Provisions are recorded when the Group has a current obligation (legal or implied) that is the result of a past event and it is probable that the Group will be required to fulfil the obligation. Provisions are made based on the best estimate of the cost of fulfilling the obligation at the reporting date, and are discounted when the effect is significant.

When the Group considers a provision for risks and charges must be in part or in full reimbursed, the indemnity is recorded under assets only when the reimbursement is almost certain and the amount of reimbursement may be determined reliably.

Onerous contracts

Where the Group has an onerous contract, the current obligation contained in the contract must be recognized and measured as a provision.

An onerous contract is a contract in which the non-discretional costs necessary to settle the obligations exceed the economic benefits deriving from such.

Restructuring provision

A provision for restructuring cost is recorded only when the Group has undertaken a formal detailed program for the restructuring and there exists a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A provision for restructuring must only include the direct expenses deriving from the restructuring and not associated with the current activities of the Group.

Personnel incentive plans

The Group recognizes additional benefits to employees through the cash incentive plans. These plans represent a remuneration component of the beneficiaries; therefore, the cost is recognized in the income statement under "Personnel expense" over the period between the granting date and that of maturity and under provisions for risks and charges.

The financial effects of the Plans are estimated and recognized in accordance with IAS 19 by adequately weighing the defined maturity conditions (including the probability of employees remaining in the Group for the duration of the Plan); at the end of each year the estimate is updated and recognized under "Personnel expense". At December 31, 2021, the plans within this category included the MBO incentive system, both in its short-term and deferred long-term component, and the annual attendance bonus.

Guarantees

The provisions for guarantee costs are accrued when it is considered probable that the request to honor the guarantee will be made. The calculation of the provision is made based on the best estimate by Management of the costs required to comply with the obligation.

Post-employment benefits

The payments for defined contribution plans are recognized in the Income Statement of the period in which they are due.

For the defined benefit plans, the cost relating to the benefits recognized is determined using the projected unit credit method, making actuarial valuations at the end of each period. Actuarial gains and losses are recognized in the period they arise and recorded directly in a specific equity reserve. The cost relating to past employment service is immediately recorded when the benefits have already matured.

The liabilities for post-employment benefits recorded in the balance sheet represent the present value of the liabilities for the defined benefit plans adjusted to take into account any actuarial gains or losses not recorded and costs relating to past employment services not recorded, and reduced by the fair value of the asset plan. Any net assets resulting from this calculation are limited to the value of the actuarial losses not recorded and costs relating to past employment services not recorded, plus the present value of any repayments and reductions in future contributions to the plan.

Other long-term employee benefits

The accounting treatment of the other long-term benefits is similar to those of the plans for post-employment benefits with the exception of the fact that the actuarial gains and losses and costs deriving from past employment services are recognized in the income statement fully in the year in which they arise.

Share-based payments

The Group recognizes additional benefits to employees through equity participation plans. The above-mentioned plans are recognized in accordance with IFRS 2 (Share-based payments). In accordance with IFRS 2, these plans represent a remuneration component of the beneficiaries; therefore, for the equity participation plans, the cost is represented by the fair value of these instruments at the granting date, and recognized in the income statement under "Personnel expense" over the period between the granting date and that of maturity, and in the "IFRS 2 reserve" under equity. Changes subsequent to the granting date in the fair value do not have an effect on the initial value. At the end of each year the estimate is updated on the number of rights which will mature on maturity. The change in the estimate reduces the amount in the "IFRS 2 reserve" and is recorded under "Personnel expense" in the P&L. At December 31, 2021, the plans that fall into this category are the 2020-2022 General Share Plan and the new 2021-2023 LTI Plan.

Financial income and charges

Interest is recognized in accordance with the effective interest rate method, utilizing therefore the interest rate which is financially equivalent to all the cash inflows and outflows (including premiums, discounts, commissions etc.) which comprise an operation. The Group classifies exchange differences in the operating results, and in particular in the accounts other operating revenues and other operating costs depending on whether the net effect is a gain or loss, with detailed information provided in the Explanatory Notes.

Income taxes

Income taxes for the year represent the sum of current and deferred taxation.

Current income tax

Current income taxes for the year and previous years are recorded for the amount expected to be paid to the fiscal authorities.

The liability for current income taxes is calculated using the current rates at the reporting date in the individual countries where the Group operates.

Deferred taxes

Deferred taxes are the taxes that it is expected to pay or recover on the temporary differences between the carrying value of the assets and of the liabilities in the financial statements and the corresponding fiscal value utilized in the calculation of the assessable income, accounted under the liability method. Deferred tax liabilities are generally recorded on all temporary assessable differences, while deferred tax assets are recorded based on the probability that the future assessable results will permit the use of the temporary deductible differences. These assets and liabilities are not recognized if the temporary differences deriving from the goodwill or the initial recognition (not in business combinations) of other assets or liabilities in operations do not have an impact on the accounting result or on the assessable fiscal result.

The carrying value of deferred tax assets is revised at the end of the year and reduced to the extent that it is no longer likely that there will be sufficient taxable income against which to recover all or part of the assets.

Deferred taxes are calculated based on the fiscal rates that are expected to be in force at the moment of the realization of the asset or the settlement of the liability. Deferred taxes are recognized directly in the income statement with the exception of those relating to accounts directly recognized to equity, in which case the deferred taxes are also recognized to equity.

Deferred tax assets and liabilities are offset when there is a direct right to compensate the tax assets and liabilities and when they refer to income taxes due to the same fiscal authority and the Group intends to pay the amount on a net basis.

Deferred taxes are recognized directly to the income statement with the exception of those relating to accounts directly recognized to equity, in which case the deferred taxes are also recognized to equity.

USE OF ESTIMATES

The preparation of the financial statements and the relative notes in application of IFRS require that management make estimates and assumptions on the values of the assets and liabilities in the financial statements and on the disclosures relating to the assets and contingent liabilities at the reporting date. The estimates and assumptions used are based on past experience and other factors considered relevant. The actual results may differ from such estimates. The estimates and assumptions are reviewed periodically and the effects of any changes are recorded in the income statement in the period of the revision of the estimate, if the revision has effect only on that period, or also in subsequent periods if the revision has effect on the current year and on future years. In this regard, the situation caused by the economic and financial crisis resulted in the need to make assumptions on an outlook characterized by significant uncertainty and for which it is reasonably possible - on the basis of currently available information - that within the following year, results may differ from estimates, requiring even significant adjustments (including to the book value of the relative items).

The accounts principally affected by such uncertainty are:

- CONTRACTUAL REVENUES, ASSETS AND LIABILITIES The processes and procedures for recognizing revenues and measuring contractual assets and liabilities for long-term contracts are based on estimates of the costs and revenues throughout the entire life of projects lasting for more than one year, the pricing of which is impacted significantly by assumptions and estimates made by the directors, particularly with regard to forecasting the costs to complete each project and including an estimate of the risks and of the contract penalties, where applicable, and an assessment of contract changes envisaged or being negotiated and any changes in estimates compared to the previous year.

- PROVISIONS FOR RISKS AND CHARGES: A number of companies of the Group are involved in judicial or administrative proceedings for which allocations are made to provisions, mainly connected with legal and fiscal disputes. The process and procedures for assessing the risks related to these proceedings are based on complex factors that require the directors to make assumptions and estimates, particularly with regard to the assessment of uncertainties connected with the predicted outcome of the proceedings taking account of information obtained from the legal affairs unit and from outside legal counsel. These provisions are estimated through a complex process involving subjective assessments by Company Management.

- IMPAIRMENT OF FINANCIAL ASSETS AND RECEIVABLES: The collectability of receivables and the need to recognize impairment for doubtful accounts is done in accordance with the expected credit loss model. This process requires company management to make complex and/or subjective assumptions. The factors considered in making these assumptions concern, in part, the creditworthiness of the counterparty, where available, the amount and timing of expected future payments, any mechanisms put in place to mitigate credit risk, and any steps taken or planned to collect the receivables.

- FAIR VALUE: The fair-value measurement of financial and non-financial instruments is a structured process involving complex methods and approaches and requires the gathering of up-to-date information from the markets concerned and/or the use of internal inputs. As for the other estimates, fair-value measurements are, even when based on the best information available and on the appropriate measurement methods and techniques, intrinsically characterized by uncertainty and professional opinion and can lead to estimates that differ from the actual figures once they are known.

- IMPAIRMENT OF NON-CURRENT FINANCIAL ASSETS: Non-financial assets are written down when changing circumstances or other events give reason to believe that their book value is no longer recoverable. Events that can result in writing down a non-financial asset are significant, permanent changes in the outlook for the market segment in which the asset is being used. Decisions to write down an asset, and the measurement process, depend on estimates made by company management concerning complex, highly uncertain factors, such as future trends in the market concerned, the impact of inflation, the conditions of global supply and demand, and trends in operations and in the business generally. The write-down of a non-financial asset is measured by comparing the book value with the recoverable value, which is the greater of the asset's fair value less disposal costs and its value in use, which is calculated based on the expected cash flows on the use of the asset less disposal costs. This calculation is done at the level of the smallest cash generating unit (CGU) that is amply independent from the cash flows generated by other assets or asset groups and based on which company management measures business profits. The expected cash flows for each CGU are determined based on the most recent budget, business plan, and actual financial reports as prepared by management and approved by the Board of Directors. The business plan includes forecasts prepared by management based on information available at the time in terms of business volumes, operating costs, profit margins, and the industrial, commercial and strategic configuration of the specific CGUs in the specific marketplace. The present value of these cash flows is then calculated based on discount rates that take account of the specific risk of the business segment to which the CGU belongs. The goodwill and other intangible assets with indefinite useful life are not subject to amortization; the recoverability of their carrying amount is verified at least annually and however where events which may suggest an impairment loss arise.

CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

The Group in the selection and application of the accounting policies, in the accounting of the changes in accounting policies and of the changes in accounting estimates and corrections of previous year errors applies IAS 8.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Subsequent events are events which occur after the reporting date up to the authorized publication date. The date for authorization of publication is considered the approval date by the Board of Directors. Subsequent events may concern events which provide information on the situation existing at the reporting date (adjusting subsequent events) or events arising after the reporting date (non-adjusting subsequent events). For the former, the relative effects are reflected in the financial statements and updated disclosure provided, while for the latter, if significant, adequate disclosure alone is provided in the Explanatory Notes.

27. Notes to the income statement

27.1. Revenues

Revenues from contracts with clients in 2021 amounted to Euro 2,844,069 thousand, an increase of Euro 274,845 thousand on the previous year as follows:

(In Euro thousands)	2021	2020
Revenues from sales and services	479,251	405,959
Changes in contract work-in-progress	2,364,818	2,163,265
Total	**2,844,069**	**2,569,224**

Group revenues are essentially related to the execution of multi-year contracts, which call for meeting certain obligations over time based on progress made and on the moment in time when control of the project is transferred to the client. At December 31, 2021, about 71% of the Group's consolidated revenues came from 13 major contracts which were essentially EPC contracts. Details on the main contracts (i.e. duration, type, and client) are provided in the section "Backlog by Business Unit and Region" – Main Projects Awarded and in course of execution.

Specifically, the change during the year was in part due to the increase in "Revenues from sales and services". This difference was primarily caused by the increase in the revenues generated by projects concluded during the year compared to the previous year. The account includes also the revenues of MyReplast Industries S.r.l., a plastics mechanical recycling enterprise. The account "change in contract work-in-progress", used to account for long-term revenues in progress, also rose by Euro 201,553 thousand.

The Maire Tecnimont Group in 2021 reported an increase in production volumes of 8.9% on the previous year, which reflected the effects of the COVID-19 pandemic on production.

Revenues reflect the development of portfolio projects and the uneven performance over time, depending upon the scheduling of the individual works, with ongoing growth thanks to the gradual normalization of projects already in portfolio, impacted by the pandemic over the preceding months, and the initial start-up of new orders.

Group core business revenues derived for around 97% from the "Hydrocarbons" business unit (97.2% in 2020), an increase on the previous year as a percentage of consolidated volumes due to project progress.

The principal projects of the "Hydrocarbons" BU concerned Amur and Amur AGCC, Borouge PP5, Kingisepp 2 and Socar's Heydar refinery in Baku.

Finally, the "Green Energy" BU represented approx. 3% of revenues (2.8% in 2020), with an increase of approx. Euro 15.2% also following an increase in the operations of the subsidiary NextChem, which in the second half of the previous year and in the initial months of 2021 further stepped up technological development, thanks to the co-operation agreements signed with a number of Italian and overseas counterparties. The increase in revenues is also due to the restart of some activities in energy efficiency services previously slowed down by the impact of the pandemic.

The change in work-in-progress takes into account not only the recognition of contractual amounts agreed upon, but also changes in work orders, not yet approved, incentives and any reserves - claims, for the highly probable amount to be recognized by the buyer and reliably measured. In particular, the calculation of the revenues not yet approved was made based on reasonable expectations through the negotiations in progress with the buyers to recognize the higher costs incurred or disputes in course and therefore by their nature may present a risk (for further details, reference should be made to the "Disputes" section of the Directors' Report).

At December 31, 2021, the contractual obligations to be fulfilled by the Group (residual backlog) amounted to approx. Euro 9,488.2 million (Euro 6,001,9 million at December 31, 2020); the Group expects to recognize these amounts to revenues in future periods in line with the industrial plan forecasts.

27.2. Other operating revenues

"Other Operating Revenues" in 2021 amounted to Euro 20,713 thousand, down Euro 40,841 thousand on the previous year and relate to:

(In Euro thousands)	2021	2020
Exchange rate differences	1,251	38,695
Prior year income	4,126	2,334
Reversal of doubtful debts provision	1,275	1,928
Release of other risk provisions	72	71
Revenues from material sales	181	175
Contract penalties	638	137
Gains on disposals	217	205
Currency derivative gains	2,221	6,912
Insurance indemnities	1,604	2,979
Other income	9,128	8,118
Total	**20,713**	**61,554**

Other operating revenues refer to revenues not directly connected to the Group core business.

"Currency derivative gains", amounting to Euro 2,221 thousand, concern cash flow hedges on Group contractual commitments, principally hedging payments in foreign currencies impacting the income statement in the year.

"Prior-year income", in the amount of Euro 4,126 thousand, mainly concerns other revenues not related to contracts;

"Insurance indemnities" of Euro 1,604 thousand refer to income recognized following an insurance payout made in the year;

"Operating exchange differences", amounting to Euro 1,251 thousand, concerning the net gain between currency gains and losses; the increase follows currency market movements and those on foreign currencies regarding ongoing projects;

The other accounts refer mainly to disposal gains, releases of the doubtful debts provision, miscellaneous reimbursements and reimbursements of tax rebates and other income.

27.3. Business segment information

Maire Tecnimont S.p.A. heads an integrated industrial group providing engineering services and works in the following sectors on the domestic and international markets: Hydrocarbons and Green Energy.

The BU figures are in line with the internal reporting structure utilized by company Top Management and in particular with the reporting used by the highest decision-making level for the taking of business decisions, identified as the chief executive officer (CODM). The features of these sectors are outlined below:

I. **"Hydrocarbons" Business Unit** - designs and constructs plant, principally for the "natural gas chain" (involving separation, treatment, liquefaction, transport, storage, regasification and compression and pumping stations); designs and constructs chemical and petrochemical industry plant for the production, in particular, of polyethylene and polypropylene (polyolefin), ethylene oxide, ethylene glycol, purified terephthalic acid ("PTA"), ammonia, urea and fertilizers. Other major activities related to the sulphur recovery process, hydrogen production and high temperature furnaces. It is also engaged in the design and construction of hydro-carbon electric power plant. In the fertilizers sector, the Group grants both proprietary licenses on patented technology and know-how to urea producers and process design packages and sells proprietary fertilizer production equipment.

II. **'Green Energy' Business Unit** , involved in Green Acceleration initiatives managed by NextChem and its subsidiaries, focused particularly on the circular economy, thanks to an innovative plastics mechanical recycling process and the promotion of recycled chemicals; The Business Unit is also engaged in the "Greening the Brown" (offsetting environmental impacts from the conversion of petrol and gas) and "Green- Green" sectors (developing additives and substitutes to oil for fuels or plastics from renewables). The technologies servicing these initiatives are either part of NextChem's proprietary technology portfolio or are used exclusively through third-party agreements. Finally, the Business Unit also operates in the field of renewable sources (mainly solar and wind power) for large-scale plant and in energy maintenance and upgrading services for large real estate structures, in addition to the management of temporary site facilities by applying particularly effective solutions for environmental protection and energy saving.

The Group assesses the performance of the operating segments based on the segment operating result. Segment revenues are those directly deriving from or attributable to the Segment and from core operations and include revenues from agreements with third parties. Segment costs are charges from segment operations incurred from third parties. For Group operations, amortization, depreciation, provisions for risks, financial income and expense and income taxes are borne by the corporate entity as excluded from operating activities and are presented in the total column.

Segment disclosure is reported in the following tables:

2020 SEGMENT REVENUES AND RESULT:

(in Euro thousands)	Revenues		Segment result (EBITDA)	
	2021	2020	2021	2020
Hydrocarbons	2,779,161	2,556,469	168,454	173,359
Green Energy	85,621	74,309	5,278	(1,141)
Total	**2,864,782**	**2,630,778**	**173,732**	**172,218**

2021 SEGMENT INCOME STATEMENT:

(In Euro thousands)	Hydrocarbons	Green Energy	Total
Segment revenues	2,779,161	85,621	2,864,782
Industrial margin (Business Profit)	**242,694**	**13,030**	**255,724**
Segment result (EBITDA)	**168,454**	**5,278**	**173,732**
Amortization, depreciation, write-downs and provisions			**(43,773)**
EBIT	**168,454**	**5,278**	**129,959**
Financial income/(expenses)			(16,124)
Income before taxes			**113,835**
Income taxes			(33,364)
Net income/(loss)			**80,471**
Income (Loss) for the year - Group			83,301
Minority interest net income			(2,830)

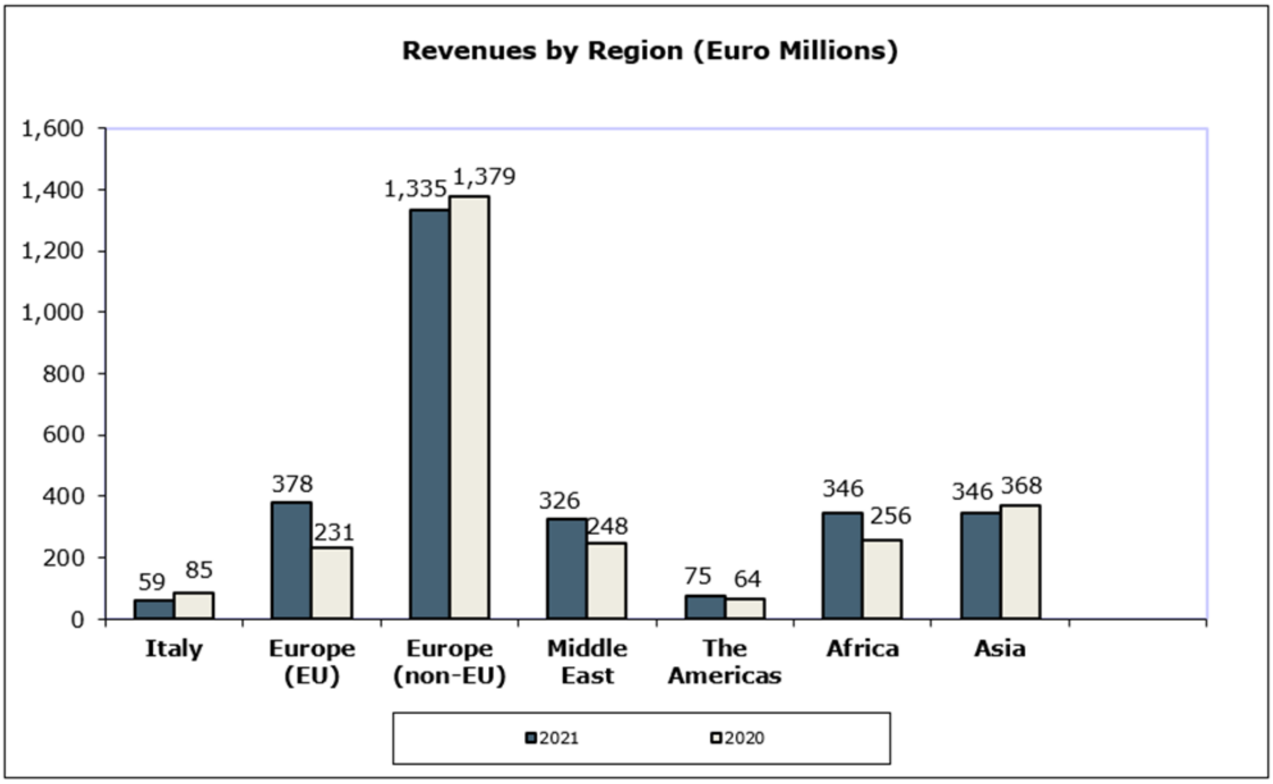
2021 SEGMENT INCOME STATEMENT:

(In Euro thousands)	Hydrocarbons	Green Energy	Total
Segment revenues	2,556,469	74,309	2,630,778
Industrial margin (Business Profit)	**249,763**	**1,775**	**251,538**
Segment result (EBITDA)	**173,359**	**(1,141)**	**172,218**
Amortization, depreciation, write-downs and provisions			(48,543)
EBIT	**173,359**	**(1,141)**	**123,675**
Financial income/(expenses)			(44,861)
Income before taxes			**78,814**
Income taxes			(24,607)
Net income			**54,207**
Income (Loss) for the year - Group			57,801
Minority interest net income			(3,594)

REGIONAL SEGMENTS:

The regional breakdown of Revenues in 2021 compared to the previous year is illustrated below:

(in Euro thousands)	December 2021		December 2020		Change	
	Total	%	Total	%	Total	%
Italy	58,595	2.0%	85,181	3.2%	(26,586)	(31.2%)
Overseas						
· Europe (EU)	377,708	13.2%	231,039	8.8%	146,669	63.5%
· Europe (non-EU)	1,335,165	46.6%	1,379,218	52.4%	(44,053)	(3.2%)
· Middle East	326,097	11.4%	247,736	9.4%	78,362	31.6%
· The Americas	74,532	2.6%	63,902	2.4%	10,630	16.6%
· Africa	346,392	12.1%	256,075	9.7%	90,317	35.3%
· Asia	346,293	12.1%	367,793	14.0%	(21,500)	(5.8%)
· Other	0	0.0%	(165)	(0.0%)	165	na
Total Consolidated Revenues	**2,864,782**		**2,630,778**		**234,004**	**8.9%**



The main regional revenue sources were Europe - non-EU (46.6%), which reflects the development of operations in Russia. On the other hand, as can be seen from the table of revenues, there was a recovery in the Middle East and Africa following the launch of new acquisition projects in those areas.

During the year, revenues were recognised from two customers with individual amounts greater than 10% of total revenues, the cumulative value of which was Euro 862 million related to the Hydrocarbons BU.

27.4. Raw materials and consumables

Raw materials and consumables in 2021 amount to Euro 1,024,695 thousand, an increase of Euro 285,773 thousand compared to the previous year.

The breakdown of the account is as follows:

(In Euro thousands)	2021	2020
Raw material purchases	(1,020,889)	(736,671)
Consumables	(3,203)	(1,770)
Fuel	(603)	(481)
Total	**(1,024,695)**	**(738,922)**

In particular, “Raw material purchase” in 2021 increased Euro 284,218 thousand due to an increase in purchases during the year related, above all, to orders acquired in 2020 for which issuance of the primary equipment orders has been completed and the production and goods shipment stages are now underway. Also in 2021, we saw a generalized restart of operations and procurements that had previously slowed due to the pandemic.

"Consumables" and "Fuels" were affected by increased requests for various materials, materials for office equipment, and the use of fuels following a general recovery in consumption after the slowdown linked to the pandemic that in 2020 had in fact impacted all activities.

27.5. Service costs

Service costs in 2021 amounted to Euro 1,172,509 thousand, a decrease of Euro 109,347 thousand on the previous year. The breakdown of the account is as follows:

(In Euro thousands)	2021	2020
Sub-contractors	(842,379)	(923,377)
Turnkey design	(144,555)	(136,729)
Cost recharges	(2,367)	(7,706)
Utilities	(9,555)	(8,529)
Transport Costs	(37,296)	(46,312)
Maintenance	(10,665)	(7,763)
Consultants and related services	(36,473)	(35,772)
Increase in internal work capitalized	24,051	15,537
Bank expenses and sureties	(38,398)	(42,334)
Selling & advertising costs	(10,406)	(9,998)
Accessory personnel costs	(27,249)	(29,907)
Post & telephone and similar	(462)	(517)
Insurance	(13,501)	(10,300)
Other	(23,254)	(38,148)
Total	**(1,172,509)**	**(1,281,856)**

The general movement in “service costs” reflects the development of projects in portfolio and their uneven performance over time, which depends on the scheduling of the individual works for various activities. In particular, in 2021 on-site operations resumed and in particular the construction previously slowed due to the pandemic for the projects already in portfolio, although at the same time the main EPC orders from previous years reached a near completion stage - not yet fully offset by the order intake which is still in the initial phases and for which the issue of the main equipment and material orders is in progress, with the initial construction phases set to start over the coming months.

“Sub-contractors” reported the largest decrease compared to the previous year (Euro 80,998 thousand), mainly due to construction phase sub-contract costs, which reduced due to the factors outlined above.

“Turnkey design” reports however an increase related to the initial research and design phase of the main newly acquired orders.

"Transport costs" decreased compared to the previous year, despite the restart of operations and the new contracts acquired, only in the coming quarters an intense phase of shipment of raw materials and materials to sites is expected.

”Accessory personnel costs”, which mainly include costs for business travel, decreased further on the previous year. This was mainly a consequence of a structural change to the traditional means of providing high-quality services, made possible by an operating strategy designed to improve remote working methods and the virtualization of core processes, despite the restart of operations and the loosened restrictions on travel.

“Bank expenses and sureties” include the costs for the services provided by banks and other financial companies other than true and proper financial charges and commissions and accessory expenses to loans which are included under financial charges; the account therefore principally comprises costs for guarantees provided in the interests of the Group operating companies in relation to commitments undertaken for the execution of their core operations.

“Other” costs were also down, and principally relate to non-capitalized IT costs, application package maintenance expenses, various services incurred by other consolidated companies, various site and general costs and emoluments to corporate boards.

All the other costs are substantially in line or reduced compared with the previous year.

27.6. Personnel expense

Personnel expense in 2021 amounts to Euro 427,528 thousand, an increase of Euro 58,644 thousand compared to the previous year.

The breakdown of the account is as follows:

(In Euro thousands)	2021	2020
Wages and salaries	(323,485)	(279,383)
Social security charges	(77,686)	(68,185)
Post-employment benefits	(17,042)	(14,341)
Other costs	(9,315)	(6,975)
Total	**(427,528)**	**(368,884)**

The increase in personnel expense is therefore the result of both a higher average headcount compared to the previous year, and a resumption of remuneration policies during 2021 essentially suspended in the previous year as part of the cost containment program approved in response to the emergency arising from COVID-19. The details of the factors are outlined below.

At December 31, 2021, the Maire Tecnimont Group headcount totaled 6,358 resources, up by about 7% on the previous year, with 1,237 new hires and 839 departures (about 45% of which related to fixed-term contracts). This figure is further confirmation of the Group's ability to select resources, even within a serious crisis brought about by the evolution of the pandemic.

The geographical areas of the Group most affected by this increase (398 resources) were as follows:

"Italy & Rest of Europe": staff numbers rose from 2,913 to 3,187, with an increase of 274, including 132 in Italy, where the steady growth of the workforce in the Green sector should be noted, confirming continued investment in this business sector, which is considered a key Group strategy. Also at national level, the subsidiary, MST S.p.A., increased its resources in order to acquire multi-service contracts with dedicated operating staff.

The increase of 142 resources in the Rest of Europe is mainly attributable to the UK subsidiary MET T&S Limited (+63 resources), which continued to play its key role in international staffing for non-EU projects. This increase is also attributable to the hiring of resources at the Dutch subsidiary Stamicarbon (+33) and in the Group's European Branches in Belgium, Poland and Croatia, in support of ongoing EPC projects.

"Russia & Caspian Region": the increase of 123 resources - in support of projects in the area, including Kingisepp 2, AGPP and AGCC in Russia and SOCAR in Azerbaijan (with the additional new packages acquired), also confirms the consolidation of local expertise and structures present in Moscow.

"North & Sub-Saharan Africa Region": 73% increase in staff compared with the end of the previous year is due to projects in Nigeria (in the start-up phase) and Angola.

"India Region": rise in staff numbers continued with the increase from 2,014 to 2,023 resources.

In contrast, there was a decrease in the following geographical areas:

"Middle East Region": a decline of 40.4% compared to the end of 2020, mainly due to the reduction of resources operating on the PP5 (UAE) and LIWA (Oman) projects. On the other hand, we report the recent acquisition of the GEMLIK project in Turkey, with a dedicated office in the country in order also to strengthen the Group's procurement and purchasing activities.

Graduates at the Maire Tecnimont Group at December 31, 2021 accounted for 71% of the workforce; the average age was approx. 43. In terms of gender breakdown, females represent approx. 21% of the total workforce.

The workforce at 31/12/2021 of the Maire Tecnimont Group, with movements (by qualification and region) on 31/12/2020 (and the average workforce for the year), is outlined in the following tables. The table below outlines the workforce by areas of effective engagement at 31/12/2021 and 31/12/2020, with the relative movements:

Change in workforce by category (31/12/2020 - 31/12/2021):

Category	Workforce 31/12/2020	Hires	Departures	Reclassification employee category (*)	Workforce 31/12/2021	Cge. Workforce 31/12/2021 vs. 31/12/2020
Executives	646	21	(29)	41	679	33
Managers	2,234	236	(186)	131	2,415	181
White-collar	2,954	863	(552)	(170)	3,095	141
Blue-collar	126	117	(72)	(2)	169	43
Total	**5,960**	**1,237**	**(839)**	**0**	**6,358**	**398**
Average headcount	**6,107**				**6,162**	**55**

(*) includes promotions, changes in category following inter-company transfers / Job Title reclassifications

The classification of the qualifications above does not necessarily reflect the contractual classification under Italian employment law, but corresponds to the identification criteria adopted by the Group on the basis of roles, responsibilities and duties

Changes in workforce by region (31/12/2020 – 31/12/2021):

Region	Workforce 31/12/2020	Hires	Departures	Reclassification employee category (*)	Workforce 31/12/2021	Cge. Workforce 31/12/2021 vs. 31/12/2020
Italy & Rest of Europe	2,913	482	(232)	24	3,187	274
India Region	2,014	165	(138)	(18)	2,023	9
South East Asia and Australian Region	4	1	(1)	0	4	0
Rest of Asia	83	13	(28)	0	68	(15)
Russia & Caspian Region	595	368	(244)	(1)	718	123
North America Region	15	3	(2)	0	16	1
Central and South America Region	9	4	(1)	0	12	3
Middle East Region	208	85	(164)	(5)	124	(84)
North Africa Region & Sub-Saharan Africa Region	119	116	(29)	0	206	87
Total	**5,960**	**1,237**	**(839)**	**0**	**6,358**	**398**

(*) includes promotions, changes in category following inter-company transfers / Job Title reclassifications

Changes in workforce by operational region (31/12/2020 – 31/12/2021):

Region	Workforce 31/12/2020	Workforce 31/12/2021	Cge. Workforce 31/12/2021 vs. 31/12/2020
Italy & Rest of Europe	2,712	2,882	170
India Region	1,892	1,904	12
South East Asia and Australian Region	9	7	(2)
Rest of Asia	100	79	(21)
Russia & Caspian Region	747	940	193
North America Region	15	17	2
Central and South America Region	13	16	3
Middle East Region	285	189	(96)
North Africa Region & Sub-Saharan Africa Region	187	324	137
Total	**5,960**	**6,358**	**398**

It should be noted that employee numbers may vary based on the stage of the project and on scheduling, which may provide for recourse to direct employees with consequent utilization of Group materials and staff, or alternatively recourse to third party services. In particular, the Group policy is to hire the workforce necessary for the execution of the individual projects in line with the time period necessary for completion.

After being put on hold last year following cost containment measures approved by the Board of Directors on May 7, 2020, work to define and assign objectives for the year under review resumed during the year in accordance with the MBO incentive plan for senior executives and for other key business figures.

During the period under review, the objectives related to the previously activated incentives and engagement systems were verified and annual bonuses and profit sharing for 2020, in addition to the flexible benefits portion of the MAIRE4YOU Plan for the same period, were distributed.

It should also be noted that the Board meeting of June 24, 2021, having verified the achievement of the performance objectives for the First Cycle (2020) of the 2020-2022 General Share Plan, resolved to allocate - on July 8, 2021 - the related shares to the over 4,000 beneficiaries worldwide. Finally, in May, shares relating to the 2017-2019 Restricted Stock Plan – suspended as a matter of prudence by senior management and approved by the Remuneration Committee – were issued by the Board of Directors on May 7, 2020.

In 2021, “Personnel expense” includes also the portion accruing in the year of the new long-term incentive plan for the CEO and selected Top executives (2021-2023 LTI) and the Second Cycle (2021) of the 2020-2022 General Share Plan. The afore-mentioned plans are represented as "Equity Settled" plans as the Group has allocated its own equity instruments as additional remuneration for the services received (the work performance). The total cost of these plans for the year amount to Euro 6,530 thousand, also based on a fair value of the equity instruments equal respectively of Euro 3.726 per share for the 2021-2023 LTI and Euro 3.368 per share for the 2020-2022 General Share Plan.

"Personnel expense" in 2021 also includes the short-term monetary incentive plans (so-called "MBO"), plans to employees of flexible benefits ("Maire4You") and the participation bonus.

Personnel expenses take account of the proceeds of both the end-of-service indemnity for the Chief Executive Officer and the sums related to the 2019-2021 LTI plan where there were rights to receive Maire Tecnimont shares free of charge during the period 2019-2021, which were actually granted based on meeting certain conditions of industrial performance assessed both annually and at the end of the period in question. In the previous years the vesting conditions of the benefits were assessed as probable and therefore included under personnel expense, but in view of the industrial performances concluding with the 2021 year these expectations were no longer valid and consequently no accrual was made for the final year of the plan and income was recognized for previous years.

27.7. Other operating costs

Other operating costs in 2021 amount to Euro 66,318 thousand, a decrease of Euro 2,581 thousand compared to the previous year. The breakdown of the account is as follows:

(In Euro thousands)	2021	2020
Contractual penalties	(14,348)	(646)
Rental	(8,849)	(14,224)
Hire	(17,926)	(16,026)
Currency derivative losses	(388)	
Impairment of receivables	(2,572)	(2,486)
Other costs	(22,635)	(35,516)
Total	**(66,318)**	**(68,899)**

“Contractual penalties” essentially relates to a charge following a dispute concluded in the year.

The account “Rental” mainly refers both to the cost of property and apartment rentals, also at various work sites with short-term duration and therefore excluded from the application of IFRS 16, in addition to accessory office use property costs for the Group offices and also at the various sites; the reduction in 2021 is due to the lesser amount of travel expenses for personnel with related lower short-term accommodation costs, mainly concerning on-site activities. This is mainly a consequence of a structural change to the traditional means of providing high-quality services, made possible by an operating strategy designed to improve remote working methods and the virtualization of core processes.

The account “Hire”, which increased slightly on the previous year, refers mainly to Group plant hire charges, with short-term duration and therefore excluded from the application of IFRS 16, software application hire and other rental services, mainly due to the share of the operating rentals, in addition to the hire also of short-term vehicles for on-site activities.

The value of commitments related to leases of less than 12 months non included among financial liabilities is approximately the same as the payments expensed during the year.

“Currency derivative losses”, amounting to Euro 388 thousand, concern cash flow hedges on Group contractual commitments, principally hedging payments in foreign currencies impacting the income statement in the year;

“Losses on receivables”, net of the use of the doubtful debt provision released to “Other Operating Income” relate principally to an assessment on the collectability of receivables.

“Other costs” principally comprise indirect taxes and various local taxes, mainly concerning a number of overseas companies, membership fees, prior year charges, other general costs including those linked to consortium management, and license and patent usage fees.

"Other costs" also includes a financial contribution of Euro 10 thousand to the political party "Azione" paid by the subsidiary MST S.p.A..

27.8. Amortization, depreciation & write-downs

Amortization, depreciation and write-down of fixed assets in 2021 amounted to Euro 41,186 thousand, a decrease of Euro 2,433 thousand compared to the previous year. The breakdown of the account is as follows:

(In Euro thousands)	2021	2020
Amortization	(12,572)	(13,079)
Depreciation	(4,984)	(5,139)
Amortization of right-of-use - Leasing	(23,626)	(24,000)
Other fixed asset write-downs	(4)	(1,400)
Total	**(41,186)**	**(43,619)**

Amortization of intangible assets principally refers to:

- amortization of development costs of Euro 93 thousand, relating to the development of software and simulators for plants of the acquired company Protomation, which has since merged into Stamicarbon B.V.;
- amortization of patent rights, amounting to Euro 1,526 thousand, principally relating to urea licenses patented by Stamicarbon and the other licenses developed by the Group also in relation to the Nextchem Group;
- amortization of concessions and licenses, amounting to Euro 1,609 thousand and principally relating to Group software license applications;
- amortization of other intangible assets of Euro 4,911 thousand, mainly concerning accessory and consultant costs incurred for the installation of the principal software applications of the Group.
- amortization of the contractual costs, equal to Euro 4,433 thousand; “Contractual costs” include costs for the obtaining of contracts and contract fulfillment costs, as per IFRS 15 which stipulates the capitalization of costs to obtain the contract, considered as ‘incremental’, and costs incurred to fulfil the contract which enable the entity to make use of new or greater resources to satisfy performance obligations in future (‘pre-production costs). These capitalized costs are amortized based on the advancement of the work on the contract.

Depreciation of property, plant and equipment principally refers to:

- depreciation of own buildings for Euro 615 thousand, principally in relation to the Indian subsidiary Tecnimont Private Limited, MyReplast Industries S.r.l., a Nextchem subsidiary, and residually other Group owned assets;
- depreciation on plant and machinery for Euro 1,097 thousand and industrial equipment for Euro 244 thousand (assets supporting site operations); they principally relate the plant of MyReplast Industries S.r.l. (the company that manages an advanced mechanical plastics recycling facility located in Bedizzole, in the province of Brescia);
- depreciation of Euro 3,028 thousand on other assets, office furniture, leasehold improvements, EDP, motor vehicles and industrial transport vehicles.

The depreciation of right-of-use - leasing of Euro 23,626 thousand was recognized following the introduction of the IFRS 16 standard and mainly concerns the usage rights recognized on the buildings hosting the Group offices and at various worksites, in addition to number of key Group assets and also motor vehicles.

27.9. Doubtful debt provision and risk provisions

The doubtful debt provision and risk provisions for 2021 amount to Euro 2,587 thousand, a decrease of Euro 2,337 thousand compared to the previous year.

The breakdown of the account is as follows:

(In Euro thousands)	2021	2020
Doubtful debt provision	(2,587)	(4,924)
Total	**(2,587)**	**(4,924)**

The doubtful debt provision in the year amounted to Euro 2,587 thousand, decreasing on the previous year. The account in the previous year had reported greater provisions as a consequence of a greater amount of receivables and, for some positions, was also affected by a deterioration of counterparty risk as a result of the COVID-19 pandemic, which, particularly in the first part of 2020, had brought about a worldwide landscape of great economic and financial tension and consequent impact on financing activities.

The change in the year is therefore also a consequence of the recovery on the markets, which have positively affected the valuations of the expected losses.

For IFRS 9, the impairment requirements are based on an expected credit loss (ECL) model utilizing supporting information, available without unreasonable charges or effort, which includes historic, current and projected figures.

27.10. Financial income

(In Euro thousands)	2021	2020
Income from associates	20	12
Income from group companies	0	62
Other income	8,654	7,213
Income on derivatives	11,780	152
Total	**20,454**	**7,438**

Financial income amounted to Euro 20,454 thousand and increased Euro 13,016 thousand compared to the previous year, mainly due to greater positive effects linked to valuation of derivatives and higher interest income recorded on liquidity.

“Income from associates” concerns the interest from the associate JV Kazakhstan Tecnimont-KTR LLP, incorporated to develop initiatives in the country with a strategic partner.

“Income from associates” in the previous year concerned the interest from Pursell Agri-Tech LLC. The reduction in 2021 is due to the waiver of the loan to the company against the share capital increase of the investee.

“Other income” mainly relate to interest matured on temporary liquidity invested and on bank current accounts, thanks to the returns on deposits in some regions where the Group currently operates, for example Russia. Interest income increased on the previous year due to higher levels of liquidity held.

Income on derivatives for Euro 11,780 thousand refer specifically to:

- for Euro 1,008 thousand to the "time-value" portion of currency hedging derivatives. As not considered a hedging component, the change to the fair value is recognized to the income statement. This component is due to swap point movements (differences between Eurozone and US interest rates), in addition to new contracts signed by the Group to cover cash flows for orders mainly exposed to the Russian Ruble;
- for Euro 46 thousand for the closure of a portion of raw material (essentially copper) price risk derivatives, which proved to be ineffective;
- for Euro 896 thousand the positive differential closed and settled during the year following the partial closure of the cash-settled Total Return Equity Swap (TRES) derivative instruments;
- for Euro 644 thousand income arising on the TRES contracts, related to the distribution of dividends by Maire Tecnimont S.p.A., which the intermediary receded to the Issuer.
- for Euro 9,186 thousand the positive fair value change of the residual portion of two cash-settled Total Return Equity Swap derivative instruments (TRES) to hedge against movements in the Maire Tecnimont share price essentially tied to the personnel incentive plans in place. The residual portions of the instruments as at December 31, 2021 hedged the risk relating to approx. 3.6 million shares. The derivative contracts (TRES) were underwritten with a financial intermediary, with no obligation for Maire Tecnimont to acquire the treasury shares, but only the obligation for the settlement between the parties of the differential between the exercise price and the Maire Tecnimont share price on the maturity of the instruments. Contractual maturity is December 31, 2021. For accounting purposes, the TRES cannot be designated as a hedging derivative instrument and is valued, in accordance with IFRS 9, as a derivative at fair value, with the related changes recorded in the income statement. The increase in cash-settled Total Return Equity Swap (TRES) derivative income is due to the favorable Maire Tecnimont share price in 2021 and in particular in the last part of the year with a consequent increase in the positive mark-to-market of the instrument.

27.11. Financial Expenses

(In Euro thousands)	2021	2020
Charges from group companies	0	(2)
Other charges	(21,958)	(32,165)
Interest/Other Bond Charges	(4,898)	(5,437)
Charges on derivatives	(1,765)	(9,671)
Financial expenses right-of-use - Leasing	(5,239)	(5,988)
Warrant financial expenses	(272)	0
Total	**(34,132)**	**(53,263)**

Financial expenses amount to Euro 34,132 thousand and decreased significantly by Euro 19,131 thousand compared to the previous year, mainly due to the reduced negative effects linked to the valuation of derivatives, and thanks to the improvement in pure financial management, as a reduction in short-term charges on loans, interest on current account overdrafts and also for interest payable on outstanding Bonds.

"Other charges", amounting to Euro 21,958 thousand, principally include loan interest, current account interest charges, factoring charges and banking and accessory charges and charges on financial liabilities measured at amortized cost and interest paid to the tax authorities and charges for discounting and reported a significant decrease on the previous year, which saw considerable increases in the negative balances of the current account for the use of lines of credit granted to manage short-term commercial requirements and the use of working capital lines in support of short-term needs within the framework of working capital management for certain projects, as a result of the COVID-19 pandemic which saw scheduled payments for services already provided deferred, as were the approval processes for works as certain clients were unable to work remotely.

The “Bond interest” charges, amounting to Euro 4,899 thousand, decreased compared to the previous year and specifically refer to:

- for Euro 4,727 thousand the cash and non-cash components of interest on non-convertible bonds of Euro 165 million issued on May 3, 2018 by Maire Tecnimont S.p.A.;
- for Euro 171 thousand interest on the non-convertible bonds subscribed in 2017 through private placement, by the Pan-European Fund managed by an Amundi Group company. The reduction in charges on the previous year is due to the early settlement of the second and final tranche of these Bonds for a nominal amount of Euro 20 million in Q1 2021.

Charges on derivatives for Euro 1,765 thousand refer specifically to:

- for Euro 1.765 thousand the “time-value” portion of currency hedging derivatives. As not considered a hedging component, the change to the fair value is recognized to the income statement. This component increased on the previous year due to swap point movements (differences between Eurozone and US interest rates), in addition to new contracts signed by the Group to cover cash flows for major Russian orders mainly exposed to the Russian Ruble.

Right-of-use - Leasing financial expense at Euro 5,239 thousand concerns the financial expense matured in 2021 on finance lease liabilities recognized following the introduction of the new IFRS 16; the reduction on the previous year is mainly due to the decrease in financial liabilities on which interest matures.

Warrant financial charges for Euro 272,000 includes the change in the fair value of the financial instruments issued and subscribed to for consideration and with the use of own capital by each Beneficiary as part of the 2020-2024 Long Term Investment Plan in support of the Group's Green Acceleration project, based on financial instruments of the subsidiary NextChem S.p.A.

For further information, reference should be made to the section “Accounting Polices - Warrants".

27.12. Investment income/(expenses)

(In Euro thousands)	2021	2020
Income from investments in subsidiaries	0	(224)
Income from investments in other companies	418	497
Revaluations/(Write-downs) associates	(2,776)	691
Revaluations/(Write-downs) other companies	(4)	(0)
Revaluations/(Write-downs) of current securities	(84)	0
Total	**(2,446)**	**964**

Net investment expenses amount to Euro 2,446 thousand, a decrease of Euro 3,410 thousand compared to the previous year.

Income from investments in other companies totaling Euro 418 thousand includes dividends received from Kafco LTD, in which Stamicarbon B.V. holds an investment.

The net negative balance of the valuations of associates refers to their equity valuation. Specifically:

- - the equity investment in Gulf Compound Blending Ind Ltd reduced by Euro 110 thousand;
- - the equity investment in G.C.B. General Trading Ltd increased by Euro 150 thousand;
- the equity investment in Studio Geotecnico S.r.l. increased by Euro 11 thousand;
- the equity investment in the JV Kazakhstan Tecnimont-KTR LLP reduced by Euro 90 thousand;
- the holding in Biolevano S.r.l. reduced by Euro 2,737 thousand;

With regard to the equity investment in Biolevano S.r.l., please refer to note 28.5 "Equity investments in associates and joint ventures".

Write-downs of other companies were recorded following the liquidation of Metrofiera S.c.a.r.l..

"Write-down of securities" amounted to Euro 84 thousand and refers to the fair value measurement of the units of the 360-PoliMI investment fund valued as a financial asset at fair value through the profit and loss account. For further details see note 28.15 "Other current financial assets".

27.13. Income taxes

(In Euro thousands)	2021	2020
Current income taxes	(38,350)	(18,774)
Prior year taxes	1,231	4,328
Deferred tax income	5,209	(4,189)
Deferred tax charge	(1,453)	(5,972)
Total	**(33,364)**	**(24,607)**

Estimated income taxes amount to Euro 33,364 thousand, an increase of Euro 8,757 thousand, mainly due to higher pre-tax income compared to the previous year, which was impacted by the effects of the pandemic, in particular in early 2020.

The effective tax rate was approx. 29.3%, improving on the average tax rate reported for the preceding quarters and based on the various countries in which Group operations are carried out, improving also on 2020, which had an effective tax rate of 31.2%.

Current income taxes mainly includes “IRES” Italian corporation tax and foreign overseas corporation tax as well as an estimate of the “IRAP” Italian regional income tax and other taxes.

Prior year taxes mainly includes the differences arising between the amounts accrued for taxes and the actual tax declarations for the year.

Net deferred tax income and charges includes the effect of the utilization of deferred tax income and temporary differences arising in previous years and deductible in 2021.

In 2021, some Group companies exercised the option to realign the tax value of certain business assets to the higher book value recorded in the financial statements, as provided for in Decree-Law 104/2020, Article 110.

The assets subject to realignment mainly refer to goodwill not recognized for tax purposes, trademarks and certain tangible fixed assets, with reference to which the related deferred tax assets were recorded and the deferred tax liabilities already recorded were released.

The realignment will determine, against payment of a substitute tax of 3%, the deduction, as from 2021, of the tax amortization of the realigned value and will generate benefits in terms of IRES.

In 2021, the Group paid one of the three instalments of substitute tax due and the remaining two instalments will be paid in 2022 and 2023, respectively, for a total of Euro 886 thousand.

It should be noted that the Group's shareholders' equity reserves include a tax suspension restriction for tax purposes amounting to Euro 37,600 thousand. This restriction satisfies the condition set out by Decree Law No. 104/2020 Article 110, paragraph 8, for the tax recognition of the higher values recorded in the financial statements of the business assets subject to tax realignment.

27.14. Earnings per share

The share capital of Maire Tecnimont S.p.A. comprises ordinary shares, whose earnings per share is calculated dividing the Group net income in 2021 by the weighted average number of Maire Tecnimont S.p.A. shares in circulation in the period considered.

Therefore, at the reporting date, following the acquisition of 197,346 treasury shares, the number of shares in circulation was 328,443,086. This figure was used as the denominator for the calculation of the earnings per share at December 31, 2021.

Basic earnings per share, net of treasury shares, amounts to Euro 0.254 and up on the previous year, essentially as a result of higher net income for the year, primarily due to increased volumes and strong financial management.

(in Euro)	2021	2020
Number of shares in circulation	328,640,432	328,640,432
(Treasury shares)	(197,346)	0
Number of shares to calculate earnings per share	328,443,086	328,640,432
Group net income	83,301,168	57,801,401
Earnings per share (Euro)		
Group basic earnings per share	**0.254**	**0.176**
Group diluted earnings per share	**0.254**	**0.176**

Diluted earnings equate to basic earnings in the absence of dilutive elements.

28. Notes to the Balance Sheet

28.1. Property, plant and equipment

(In Euro thousands)	2020	Changes in year	2021
Land	3,999	176	4,175
Buildings	22,943	1,596	24,539
Plant & machinery	5,194	790	5,984
Assets in progress and advances	1,449	(1,104)	345
Industrial & commercial equipment	756	(53)	703
Other assets	7,791	1,090	8,881
Total	**42,132**	**2,496**	**44,627**

The following table illustrates the changes in the historical cost, accumulated depreciation and net book values for the year 2021:

(In Euro thousands)	Land	Buildings	Plants & equipment	Industrial & commercial equipment	Other Assets	Assets in progress and advances	Total
Net book value at December 31, 2020	**3,999**	**22,943**	**5,194**	**756**	**7,791**	**1,449**	**42,132**
Increases	115	712	1,906	188	3,886	345	7,152
Disposals	0	0	(5)	(19)	(45)	0	(69)
Depreciation	0	(615)	(1,097)	(244)	(3,028)	0	(4,984)
Cost reclassification/adjustments	0	1,449	0	0	0	(1,449)	0
Change to consolidation scope	0	0	0	0	0	0	0
Revaluations/(Write-downs)	0	0	0	0	0	0	0
Other changes	61	50	(14)	22	277	0	396
Net book value at December 31, 2021	**4,175**	**24,539**	**5,984**	**703**	**8,881**	**345**	**44,627**
Historical cost	4,175	33,959	12,971	3,474	50,481	345	105,405
Accumulated depreciation	0	(9,419)	(6,987)	(2,772)	(41,600)	0	(60,778)

The changes in the year mainly refer to depreciation in the period, net of a number of acquisitions and the warehouse expansion of MyReplast Industries S.r.l.

The principal changes related to:

- Land, with a net increase of Euro 176 thousand, of which Euro 115 thousand relates to the redemption of a warehouse and adjoining land previously leased in connection with the industrial activities of MyReplast Industries S.r.l., while the remaining increase relates to the conversion of items in foreign currency;
- Buildings, with a net increase of Euro 1,596 thousand, of which Euro 1,449 thousand deriving from the reclassification from fixed assets in progress of the extension project relating to a warehouse of MyReplast Industries S.r.l., commenced in the previous financial year and completed in 2021, with additional costs of approx. Euro 712 thousand. The other changes refer to decreases for the depreciation for the year and the conversion of items in foreign currencies;
- Plant and machinery, with a net increase of Euro 790 thousand, mainly due to purchases of wifi infrastructure and accessory components for both the headquarters and the work sites and other

purchases of small machinery also for the work sites; the decreases are due to the effect of depreciation for the year;

- Industrial and commercial equipment, with a net decrease of Euro 53 thousand, due to the depreciation in the year. The increases relate to specific site material procurement;
- Other assets, with a net increase of Euro 1,090 thousand and the increases mainly due to leasehold improvements, office furniture, and EDP; the decrease was due to depreciation in the year;
- Fixed assets in progress, amounting to Euro 345 thousand, mainly refers to further works in progress relating to the production activities of MyReplast Industries S.r.l. and leasehold restructuring works which have not yet been completed.

The account other assets also includes the vast historical archive of the former Fiat Engineering complex comprising approx. 7,000 boxes, 6,000 dossiers and 65,000 microfilms in addition to enumerable reports, notes and photographs; a wealth of civil and industrial projects and among the most important engineering works are included personalities which have marked the Italian engineering panorama: Quaroni, Danusso, Covre, Albini, Nervi, Morandi, Zevi, Aulenti, Gabetti, Isola, Piano, Halprin, Rogers, Krier. The archive is bound by the Department of Cultural Heritage; its value has been estimated at almost Euro 26 million, but at the moment, the book value is zero.

For comparative purposes the changes relating to the previous year are shown below:

(In Euro thousands)	Land	Buildings	Plants & equipment	Industrial & commercial equipment	Other Assets	Assets in progress and advances	Total
Net book value at December 31, 2019	**4,111**	**22,160**	**5,710**	**1,100**	**9,460**	**32**	**42,573**
Increases	0	0	326	136	2,227	1,445	4,134
Disposals	0	0	0	(80)	(413)	0	(493)
Depreciation	0	(631)	(1,040)	(238)	(3,230)	0	(5,139)
Cost reclassification/adjustments	0	1,548	239	0	0	(28)	1,759
Change to consolidation scope	0	0	0	0	0	0	0
Revaluations/(Write-downs)	0	0	0	0	0	0	0
Other changes	(112)	(133)	(42)	(162)	(253)	0	(702)
Net book value at December 31, 2020	**3,999**	**22,943**	**5,194**	**756**	**7,791**	**1,449**	**42,132**
Historical cost	3,999	31,696	11,066	3,215	47,743	1,449	99,169
Accumulated depreciation	0	(8,753)	(5,872)	(2,459)	(39,953)	0	(57,037)

28.2. Goodwill

(In Euro thousands)	2020	Changes in year	2021
Goodwill	294,321	0	294,321
Total	**294,321**	**0**	**294,321**

This account, amounting to Euro 294,321 thousand, did not change during 2021.

This account includes the consolidation differences concerning:

- for Euro 135,249 thousand the acquisition of the Tecnimont Group;

- for Euro 53,852 thousand the acquisition and subsequent merger of Maire Engineering S.p.A. into Maire Investimenti S.p.A. (following the merger Maire Investimenti S.p.A. changed its name to Maire Engineering S.p.A), net of the write-down of Euro 10,000 thousand in 2013;
- for Euro 18,697 thousand the acquisition and subsequent merger by Maire Engineering of other construction and engineering companies;
- for Euro 55,284 thousand the acquisition of the subsidiary Tecnimont Private Limited;
- for Euro 137 thousand the purchase of the share capital of Noy Engineering S.r.l.;
- for Euro 2,184 thousand the acquisition of the subsidiary Stamicarbon B.V.;
- for Euro 26,351 thousand the acquisition of the KT Group.
- for Euro 1,398 thousand the acquisition in 2019 of MyReplast Industries S.r.l.
- For Euro 1,169 thousand the acquisition of Protomation B.V.;

In application of the IAS 36 impairment method, the Maire Tecnimont Group identified the Cash Generating Units (CGU) which represent the smallest identifiable group of assets capable of generating cash flows largely independently within the consolidated financial statements. The maximum level of the aggregation of the CGU's is represented by the segments of activities as per IFRS 8.

The goodwill was allocated to the cash generating units from which the related benefits from the business combination are expected to arise.

The CGU's were identified according to the same criteria as the previous year, with the table below summarising the value of goodwill allocated by sector:

(In Euro thousands)	2020	Changes in year	2021
Hydrocarbons	254.0	0.0	254.0
Renewables & Infrastructure	35.6	0.0	35.6
Green Energy	1.4	0.0	1.4
Licensing	3.4	0.0	3.4
Total	**294.3**	**0.0**	**294.3**

The features of these CGUs are outlined below:

I. **'Hydrocarbons' CGU** - designs and constructs plant, principally for the "natural gas chain" (involving separation, treatment, liquefaction, transport, storage, regasification and compression and pumping stations); designs and constructs chemical and petrochemical industry plant for the production, in particular, of polyethylene and polypropylene (polyolefin), ethylene oxide, ethylene glycol, purified terephthalic acid ("PTA"), ammonia, urea and fertilizers. Other major activities related to the sulphur recovery process, hydrogen production and high temperature furnaces. It is also engaged in the design and construction of hydro-carbon electric power plant.

II. **'Licensing' CGU,** in the fertilizers sector, the Group grants both proprietary licenses on patented technology and know-how to urea producers and process design packages and sells proprietary fertilizer production equipment;

III. **'Renewables & Infrastructure' CGU,** operates in the field of renewable sources (mainly solar and wind power) for large-scale plant and in energy maintenance and upgrading services for large real estate structures, in addition to the management of temporary site facilities by applying particularly effective solutions for environmental protection and energy saving;

IV. **<u>'Green Energy' CGU</u>**, involved in Green Acceleration initiatives managed by NextChem and its subsidiaries, focused particularly on the circular economy, thanks to an innovative plastics mechanical recycling process and the promotion of recycled chemicals; The CGU is also engaged in the "Greening the Brown" (offsetting environmental impacts from the conversion of petrol and gas) and "Green- Green" sectors (developing additives and substitutes to oil for fuels or plastics from renewables). The technologies servicing these initiatives are either part of NextChem's proprietary technology portfolio or are used exclusively through third-party agreements.

The recoverability of the goodwill and of the other intangible and tangible fixed assets is verified at least once a year also in the absence of indicators of loss in value. The recoverable value of the cash-generating units, whose individual goodwill were allocated, was determined through the determination of the value in use, considered as the present value of the expected cash flows, utilizing a discount rate which reflects the specific risks of the individual cash-generating units at the valuation date. The book value of the CGU's (carrying amount) includes the book value of the net assets invested which may be attributed directly, or separated based on a reasonable and uniform criterion, to the CGU's. The net working capital items are included in the calculation of the book value and of the recoverable value. The working capital items are in addition separately tested for loss in value, in accordance with the applicable accounting standards.

This analysis was undertaken in conjunction with an independent expert, utilizing the cash flows based on the 2022 Budget and the 2022-2026 Business Plan approved by the Board of Directors on February 25, 2022.

These cash flows confirm the assumptions and the strategic projections of the Group plan and reflect the best estimates made by Management in relation to the main assumptions concerning business operations (macro-economic and price movements and the business development picture), including the estimated effects from the Covid-19 pandemic. The underlying assumptions and the corresponding financials are considered appropriate for the impairment test. The plan, in addition to the project margins, includes commercial, general and administrative costs.

The main assumptions reflected in the 2022 Budget and the Business Plan take account of the significant backlog at the end of 2021 which indicate the maintenance of the strong industrial performances delivered in 2021.

The market is expected to remain challenging, although the recognized technological know-how of the Group continues to develop and extend to adjacent technologies, in synergy with existing technologies and a flexible business model offering innovative services and products that can anticipate market demand. We can therefore forecast the maintenance of a significant backlog. This forecast is backed up by a strong commercial pipeline and the expectation of additional new contracts over the coming quarters, which will also extend our geographic reach.

The value in use was determined based on the estimated future cash flows discounted which the CGU will be capable of producing in the future. The estimated cash flows include the recharge of general and administration costs (G&A) of the Group for all the CGU's. The value of the cash flows was expressed net of the notional imposition, considering the tax benefit relating to any deductibility of amortization and depreciation. Consideration was also taken of changes in net working capital and in relation to fixed capital investment.

For the determination of the recoverable value, the cash flows refer to the business plan, as well as a final value (Terminal Value) beyond the plan horizon, in line with the nature of the investments and with sector operations. Relating to the estimate of the Terminal Value, the last year of the cash flows was not taken as an expression of the "normalized" cash flow, but rather the average margin of the Plan future cash flows was considered.

The "normalized" cash flow was capitalized considering a growth rate between an interval of 0% and 2.2% for the "Hydrocarbons" CGU, between 0% and 2.5% for the "Licensing" CGU, between 0% and 1.3% for the "Renewables & Infrastructure" CGU and between 0% and 0.6% for the "Green Energy" CGU.

For the purposes of the discounting of the operating cash flows, the interest rate identified was the weighted average cost of capital (WACC) post tax. The parameters utilized in the estimate of the discounting rate (Beta and Net Financial Position) were determined on the basis of a basket of comparable companies respectively in the "Infrastructure" sector for the Renewables & Infrastructure CGU, in the "Plant" sector for the Hydrocarbons CGU, in the Licensing sector for the Licensing CGU and in the Green Chemistry sector for the Green Energy CGU, calculating for each the key financial indicators, in addition to the most significant market values.

The risk-free rate utilized considered the Eurirs average 12 months (S&P Capital IQ) rate, the expected medium/long-term inflation rate for the reference countries and the relative Country Risk Premium (determined on the basis of the differential between the country CDS spread and the country benchmark CDS spread). The market risk premium was estimated at 5.5%. It was considered appropriate to consider a specific risk for each CGU above the relative discounting rate; this premium was determined based on the comparison between the size of the CGU and the companies utilised for the estimate of the Beta Unlevered. This risk was increased by a Company Specific Risk Premium in relation to the conditions of the individual CGU.

For the cost of equity component, the rate was prudently increased to reflect any execution risk connected to the business risk and specifically by 1.4 percentage points for the "Hydrocarbons" and "Licensing" units and by 5 percentage points for the "Renewables & Infrastructure" CGU, also considering the prospects of the CGU following the redefinition of the operating structure, the commercial repositioning as well as the strengthening of synergies and know-how, and by 5 percentage points for the "Green Energy" CGU, considering the start-up phase of the new scope created in the previous year.

For all CGU's, the recoverable value as presented above is higher than the net carrying amount of the Net Capital Employed of the CGU's and therefore no impairment is indicated. The recoverable value of the "Hydrocarbons" CGU amounts to approx. Euro 1,906 million, that of the "Licensing" CGU to approx. Euro 224.3 million, that of the "Renewables & Infrastructure" CGU to approx. Euro 174 million and that of the "Green Energy" CGU to approx. Euro 98.7 million.

A sensitivity analysis was also undertaken on the basis of the changes in the following parameters: i) discount rate, ii) growth rate for the estimate of the Terminal Value, and iii) EBITDA for the plans under consideration (-10%/+10%); based on this analysis, the range of the recoverable value of the CGU's was determined.

Discount rate (WACC post tax)	Lower extreme	Higher extreme
Hydrocarbons CGU	7.8%	9.8%
Renewables & Infrastructure CGU	8.5%	10.5%
Green Energy CGU	12.6%	14.6%
Licensing CGU	9%	11%

Growth rate beyond plan period	Lower extreme	Higher extreme
Hydrocarbons CGU	0%	2.2%
Renewables & Infrastructure CGU	0%	1.3%
Green Energy CGU	0%	0.6%
Licensing CGU	0%	2.5%

The results of these sensitivity analyses did not highlight any impacts on the values recorded by the Hydrocarbons, Licensing, Renewables & Infrastructure, and Green Energy CGU's.

In the application of this method, management utilized assumptions, including the estimate of the future increases in the backlog, revenues, gross margin, operating costs, growth rate of the terminal value, investments and average weighed cost of capital (discount rate). The cash flow forecasts refer to current business conditions, therefore they do not include cash flows related to events of an extraordinary nature.

The estimates and the budget data were determined by Group management based on past experience and forecasts relating to the development of the Group's markets. However, the estimate of the recoverable value of the cash generating units requires discretionary interpretation and the use of estimates by management. The Group cannot guarantee that there will not be a loss in value of the goodwill in future years. In fact, various market environment factors may require a review of the value of goodwill. The circumstances and events which could give rise to a further loss in value will be monitored constantly by the Group.

28.3. Other intangible assets

(In Euro thousands)	2020	Changes in year	2021
Development costs	372	(87)	285
Patent rights	23,031	1,411	24,442
Concessions, licenses, trademarks and similar rights	3,507	(1,446)	2,061
Other	25,247	10,549	35,796
Assets in progress and advances	20,114	4,712	24,826
Contractual costs	11,077	3,064	14,141
Total	**83,348**	**18,203**	**101,551**

The following table illustrates the changes in the historical cost, accumulated amortization and net book values for the year 2021:

(In Euro thousands)	Development costs	Patents	Concessions, licenses, trademarks & others	Other	Work in progress & advances	Contractual costs	Total
Net book value at December 31, 2020	**372**	**23,031**	**3,507**	**25,247**	**20,114**	**11,077**	**83,348**
Increases	0	2,937	566	513	21,940	7,497	33,453
Disposals	0	0	0	0	0	0	0
Amortization	(93)	(1,526)	(1,609)	(4,911)	0	(4,433)	(12,572)
Cost reclassification/adjustments	0	0	(419)	14,951	(17,228)	0	(2,696)
Change to consolidation scope	0	0	0	0	0	0	0
Revaluations/(Write-downs)	0	0	0	(4)	0	0	(4)
Other changes	6	0	16	0	0	0	22
Net book value at December 31, 2021	**285**	**24,442**	**2,061**	**35,796**	**24,826**	**14,141**	**101,551**
Historical cost	620	41,238	17,838	75,665	24,826	63,263	223,450
Accumulated amortization	(335)	(16,796)	(15,777)	(39,869)	0	(49,122)	(121,899)

The value of the other intangible assets at December 31, 2021 amounted to Euro 101,551 thousand, with an increase of Euro 18,203 thousand compared to December 31, 2020; this increase mainly derives from the combined effect of acquisitions and technological investments, new software, net of amortization for the year:

The principal changes in the year related to:

- Development costs, a gain arising from the acquisition by Stamicarbon of the company Protomation, with a net decrease of Euro 87 thousand, principally due to amortization in the year;
- Patent rights, with a net increase of Euro 1,411 thousand, with the changes mainly referring to at new technologies and intellectual property rights (patents and licenses) developed by the Maire Tecnimont Group (primarily Stamicarbon B.V and the Nextchem Group). The decreases mainly related to the amortization in the year;

- Concessions, licenses and trademarks, with a net decrease of Euro 1,446 thousand, mainly due to the amortization in the year net of costs incurred for the purchase of software licenses for operational activities, engineering applications and the management of business processes, in addition to the installation of new document management and digitalization systems;
- Other intangible fixed assets, with a total net increase of Euro 10,549 thousand mainly as a result of the reclassification from fixed assets in progress of projects completed as part of the Digital Transformation program and which became operational during 2021.
- This also includes the concession of the "Birillo" University Campus of the University of Florence by the subsidiary Birillo 2007 Scarl and the investment agreement with GranBio for the 2G technology for Bio-Ethanol;
- "Assets in progress and on account" recorded a net increase of Euro 4,712 thousand; the account mainly includes new software and relative installations still in progress for procurement and in relation to the initiatives related to the Digital Transformation program undertaken by the Group; in fact, a number of project streams were launched for the digitalization of EPC activities and the development of an integrated range of digital services for clients and activities relating to the SAP environment; for further details, see the section of "Information Systems & General Services" section of the Directors' Report. This item also includes ongoing developments of new technologies and initiatives related to the Nextchem Group.
- "Contractual costs", equal to Euro 14,141 thousand and with a net increase of Euro 3,064 thousand, include costs for the obtaining of contracts and contract fulfillment costs, as per IFRS 15 which stipulates the capitalization of costs to obtain the contract, considered as 'incremental', and costs incurred to fulfil the contract which enable the entity to make use of new or greater resources to satisfy performance obligations in future ('pre-production costs). These capitalized costs are amortized based on the advancement of the work on the contract, with the changes due to amortization in the year, net of new capitalizations on recently acquired orders.

For comparative purposes the changes relating to the previous year are shown below:

(In Euro thousands)	Development costs	Patents	Concessions, licenses, trademarks & others	Other	Work in prog. & adv.	Contractual costs	Total
Net book value at December 31, 2019	**136**	**22,311**	**3,317**	**21,792**	**11,645**	**13,534**	**72,734**
Increases	0	2,429	1,342	9,052	8,469	3,380	24,672
Disposals	0	0	0	0	0	0	0
Amortization	(136)	(1,710)	(1,561)	(4,202)	0	(5,470)	(13,079)
Cost reclassification/ adjustments	371	0	294	0	0	0	665
Change to consolidation scope	0	0	0	0	0	0	0
Revaluations/(Write-downs)	0	0	0	(1,400)	0	0	(1,400)
Other changes	0	0	114	6	0	(367)	(247)
Net book value at December 31, 2020	**372**	**23,031**	**3,507**	**25,248**	**20,114**	**11,077**	**83,348**
Historical cost	956	38,444	17,699	60,269	20,114	55,670	193,152
Accumulated amortization	(584)	(15,413)	(14,192)	(35,022)	0	(44,593)	(109,804)

28.4. Right-of-use - Leasing

(In Euro thousands)	2020	Increases	Decreases	Depreciation for the year	Other changes	2021
Right-of-use - Leasing - Historical cost	179,466	15,115	(5,573)	0	979	189,987
(Right-of-use - Leasing - Accumulated depreciation)	(44,651)	0	5,221	(23,626)	(411)	(63,467)
Total	**134,815**	**15,115**	**(352)**	**(23,626)**	**568**	**126,520**

The value of Right-of-use recognized according to IFRS 16 at December 31, 2021 was Euro 126,520 thousand, decreasing on December 31, 2020 by Euro 8,295 thousand; this movement is mainly due to a combined effect of depreciation in the year, net of new contracts and the early closure of some contracts. The other changes mainly refer to the translation effect of amounts in foreign currencies.

The right-of-use - leasing account mainly concerns usage rights for the office use buildings hosting Group offices and also at various work sites, some key Group assets and also motor vehicles, as follows:

(In Euro thousands)	2020	Changes in year	2021
Land	42	(21)	21
Buildings	123,128	(6,015)	117,113
Plant & machinery	973	95	1,068
Other assets	10,673	(2,354)	8,319
Total	**134,815**	**(8,295)**	**126,520**

During the year, considering the Covid-19 emergency, no renegotiations of contractual terms of lease contracts or supports from lessors occurred.

28.5. Investments in associates and Joint Ventures

(In Euro thousands)	2020	Changes in year	2021
Investments in associates:			
• Studio Geotecnico Italiano	1,090	11	1,100
• MCM servizi Roma S.c.a.r.l. in liquidation	4	0	4
• Desimont Contracting Nigeria (*)	0	0	0
• JV TSJ Limited	258	(218)	41
• Villaggio Olimpico Moi S.c.a.r.l. in liquidation	3	0	3
• FEIC Consortium in liquidation	5	0	5
• Tecnimont Construction Co WLL-Qatar	20	(5)	15
• HIDROGENO CADEREYTA – S.A.P.I. de C.V. (*)	0	0	0
• Biolevano S.r.l.	15,103	(2,737)	12,366
• Kazakhstan JV Tecnimont-KTR LLP (*)	0	0	0
• Gulf Compound Blending Ind Ltd	174	(88)	86
• G.C.B. General Trading Ltd	25	152	177
• Hazira Cryogenic Eng.&Cons Management Pvt. Ltd.	106	7	113
Total	**16,788**	**(2,878)**	**13,910**

(*) The investment was completely written down and a provision for accumulated losses is recorded under provisions for risks and charges.

During 2021, the following changes took place in the investments held in associates and joint ventures following their valuation at equity and their results:

- the investment in Gulf Compound Blending Ind Ltd overall reduced by Euro 88 thousand following the loss for the year;
- - the investment in G.C.B. General Trading Ltd increased by Euro 152 thousand;
- the investment in the JV TSJ Limited decreased Euro 218 thousand following its valuation at equity;
- the investment in Studio Geotecnico S.r.l. increased Euro 11 thousand following its valuation at equity;
- the equity investments in Hazira Cryogenic and Tecnimont Construction Co WLL-Qatar respectively recorded an increase of Euro 7 thousand and a decrease of Euro 5 thousand following the conversion of the items in foreign currencies;
- the holding in Biolevano S.r.l. recorded a decrease of Euro 2,737 thousand.

With regard to the 30% holding in Biolevano S.r.l., following the investigation launched by the judiciary in early 2021 regarding incentives for the production of electricity from renewable sources, the Group is not under investigation in any way, but the company's shares were initially seized as a precautionary measure and the management of the company continued under the supervision of the court-appointed Commissioner pending developments in the investigations underway. Later in 2021, the precautionary measures against the company and the other subjects of the investigation all eventually lost their efficacy, resulting in the revocation of the administrative receiver and the desequestration of Biolevano’s plant and all corporate, administrative and financial documentation. The criminal investigation for the proceedings with the Court of Pavia looking into alleged illegal conduct is ongoing.

Within this context, the Court of Pavia, by way of the administrative receiver, had also ordered the collection by GSE S.p.A. (the Energy Services Operator) of the incentives accrued based on the electricity generated by the plant.

In relation to these clear court orders, GSE has failed to comply, first by issuing their own administrative control procedure by way of a verification of documentation pursuant to Article 42 of Legislative Decree 28/2011 and Article 1 of the Ministerial Decree of January 31, 2014, along with a precautionary suspension of the incentives envisaged under the agreement governing relations with Biolevano, and then by disbursing to Biolevano the incentives due for electricity generation using virgin biomass but only at a coefficient of k=1.3 and only for the months of January and February 2021, without even paying the remainder of the incentives from previous years.

By way of the administrative receiver at the time, Biolevano had also filed an appeal of the administrative proceedings under way with the Regional Administrative Court in Rome against suspension of the agreement by GSE. This led to an adverse ruling in that the appeal was deemed inadmissible on the formality of not being filed in a timely manner. On November 29, Biolevano then appealed this decision before the Council of State, which, in a precautionary order published on January 13, 2022, upheld the precautionary filing contained in the Biolevano appeal of the ruling of the Lazio Regional Administrative Court in Rome, thereby suspending the efficacy of said ruling and of the GSE measures challenged as described above. Nonetheless, at the time of publication of this financial report, the sums payable to Biolevano have yet to be disbursed.

Within this context, having not received the incentives due, the operational continuity of Biolevano has been managed on the basis of the high market prices for energy, which has enabled the company to post greater revenues, and thanks to a waiver obtained from the lenders for the moratoriums of the two principal instalments of December 31, 2021, and June 30, 2022. In 2021, the instalment of June 30, 2021, and all interest accrued in 2021 were, nonetheless, paid.

The breakdown of associates and joint ventures is as follows:

Company	Location/	Currency	Share capital	% Group	Through:	%
Studio Geotecnico Italiano	ITA	EUR	1,550,000	44.00%	Tecnimont S.p.A.	44%
MCM servizi Roma S.c.a.r.l. in liquidation	ITA	EUR	12,000	33.33%	MST S.p.A.	33.33%
Desimont Contracting Nigeria	Nigeria	NGN	0	45%	Tecnimont S.p.A.	45%
JV TSJ Limited	Malta	USD	123,630	55.00%	Tecnimont S.p.A.	55.00%
Villaggio Olimpico Moi S.c.a.r.l. in liquidation	ITA	EUR	10,000	33.33%	MST S.p.A.	33.33%
FEIC Consortium in liquidation	ITA	EUR	15,494	33.85%	MST S.p.A.	33.85%
Tecnimont Construction Co WLL-Qatar	Qatar	QAR	42,000	49%	MST S.p.A.	49%
HIDROGENO CADEREYTA – S.A.P.I. de C.V.	Mexico	MXN	10,000	40.70%	KT S.p.A.	40.70%
Biolevano S.r.l.	ITA	EUR	18,274,000	30.00%	Neosia Renewables S.p.A.	30.00%
Kazakhstan JV Tecnimont-KTR LLP	KZT	KZT	193,000,000	50.00%	Tecnimont S.p.A.	50.00%
Gulf Compound Blending Ind Ltd	UAE	AED	3,672,000	37.50%	Met T&S Management Ltd	37.50%
G.C.B. General Trading Ltd	UAE	AED	280,000	37.50%	Met T&S Management Ltd	37.50%
Hazira Cryogenic Eng.&Cons Management Pvt. Ltd.	INDIA	INR	500,000	45.00%	Tecnimont Private Ltd	45.00%

The key financial highlights of the principal associates and joint ventures and the reconciliation with the book value of the investments is shown below:

2021 KEY FINANCIAL HIGHLIGHTS

(In Euro thousands)	Studio Geotecnico (*)	TSJ Limited (*)	Biolevano S.r.l. (*)
NON-CURRENT ASSETS	140	0	40,266
CURRENT ASSETS	3,964	189	22,407
FINANCIAL ASSETS	1,202	2,139	5,504
TOTAL ASSETS	**5,306**	**2,328**	**68,177**
EQUITY	1,884	74	40,971
NON-CURRENT LIABILITIES	622	0	1,163
CURRENT LIABILITIES	2,050	2,254	3,104
FINANCIAL LIABILITIES (current and non-current)	750	0	22,939
TOTAL NET EQUITY AND LIABILITIES	**5,306**	**2,327**	**68,177**
REVENUES	2,147	0	34,932
EBITDA	24	-417	6,799
TOTAL COMPREHENSIVE INCOME/(EXPENSE)	17	-417	3,760

(*) figures for FY 2021 are still being approved.

RECONCILIATION WITH THE BOOK VALUE OF THE INVESTMENT

(In Euro thousands)	Studio Geotecnico	TSJ Limited	Biolevano S.r.l.
GROUP SHARE	44%	55%	30%
EQUITY SHARE	829	41	12,291
OTHER ADJUSTMENTS (*)	271	0	74
BOOK VALUE OF THE INVESTMENTS	**1,100**	**41**	**12,366**

(*) "Other adjustments" mainly refer to consolidation adjustments.

With reference to the other investments held by the Group in associates and joint ventures, there are no individually significant investments compared to total consolidated assets, operating activities or regional operations and, therefore, the disclosure required in such cases by IFRS 12 is not provided.

28.6. Financial instruments - Derivatives (Non-current assets)

(In Euro thousands)	2020	Changes in year	2021
Financial instruments - Currency hedging derivatives	635	15,417	16,052
Financial instruments - Interest rate hedging derivatives	0	548	548
Total	**635**	**15,965**	**16,600**

Non-current derivative financial instrument assets at December 31, 2021 amount to Euro 16,600 thousand, with an increase of Euro 15,965 thousand compared to December 31, 2020 and concern the fair value measurement of the derivative contracts in force.

The account for Euro 16,052 thousand refers to the measurement of the derivative instruments to hedge against currency risks on the cash flows related to project revenues and costs, principally concerning the US Dollar and the Ruble; the positive mark-to-market will be set off against future operating cash flows of a similar amount. The changes are due to the currency movements principally of the Dollar and the Ruble against the Euro during 2021, as a result of the situation created on the currency markets, which had a negative impact on the valuation of derivative instruments stipulated to hedge job orders.

The interest rate derivatives, amounting to Euro 548 thousand, refer to the valuation of the non-current portion of the Interest Rate Swap (IRS) derivatives to hedge the exposure to the risk of variable interest rates on a portion of the loan signed by Maire Tecnimont S.p.A. for Euro 365 million, 80% of which is backed by SACE’s Garanzia Italia (Italy Guarantee).

For further information and analysis of the Fair Value Hierarchy, reference should be made to the “FINANCIAL RISKS” section.

28.7. Other non-current financial assets

(In Euro thousands)	2020	Changes in year	2021
Equity investments:			
Non-consolidated subsidiaries	121	(11)	110
Other companies	9,746	3,064	12,810
Total Investments	**9,867**	**3,053**	**12,920**
Financial receivables from associates	481	(481)	0
Other financial assets	56,556	(10,898)	45,658
Total Financial Receivables	**57,037**	**(11,379)**	**45,658**
Total	**66,904**	**(8,326)**	**58,578**

The value of non-current financial assets included in the calculation of the net financial position is Euro 51,084 thousand and does not include the value of the strategic investment in Pursell Agri-Tech, LLC.

INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES

(In Euro thousands)	2020	Changes in year	2021
Investments in non-consolidated subsidiaries:			
• Svincolo Taccone S.c.a.r.l. in liquidation	8	0	8
• Exportadora de Ingegniería y Servicios TCM SpA	68	0	68
• Tecnimont Iberia S.l.u.	25	0	25
• Metrofiera S.c.a.r.l. in liquidation	11	(11)	0
• Consorzio Stabile MST S.c.a.r.l.	9	0	9
• Tecnimont South Africa (PYT) LTD	0	0	0
Total	**121**	**(11)**	**110**

During 2021, a decrease was recorded in relation to the investment in Metrofiera S.c.a.r.l. following the conclusion of the liquidation process and cancellation of the company.

Tecnimont Exportadora de Ingegniería y Servicios TCM SpA in Chile, Consorzio Stabile MST S.c.a.r.l. and Tecnimont Iberia are still not operational and were therefore not included in the consolidation. Tecnimont South Africa, in addition to not being operational, is currently only registered for tax purposes. Conclusion of the liquidation process is awaited for the investment in Svincolo Taccone.

The breakdown of the non-consolidated subsidiaries is as follows:

Company	Location	Currency	% Group	Through:	%
Svincolo Taccone S.c.a.r.l. in liquidation	ITA	EUR	80%	Tecnimont S.p.A.	80%
Exportadora de Ingegniería y Servicios TCM SpA	Chile	CLP	100%	Tecnimont S.p.A.	100%
Tecnimont Iberia S.l.u.	Spain	EUR	100%	Tecnimont S.p.A.	100%
• Consorzio Stabile MST S.c.a.r.l.	ITA	EUR	91.00%	MST S.p.A.	91.00%
Tecnimont South Africa (PYT) LTD	South Africa	ZAR	100.00%	Tecnimont S.p.A.	100.00%

The investments in non-consolidated subsidiaries mainly refer to consortiums incorporated for specific projects whose corporate duration is related to the duration of the project which is currently either terminated or not yet commenced. Investments in non-consolidated subsidiaries are measured at fair value with changes written to the statement of comprehensive income, although as the investment concerns securities no longer related to operational activity, the fair value does not vary from the cost and the relative portion of equity.

With reference to the investments held by the Group in non-consolidated subsidiaries there are no individually significant investments compared to the total of the consolidated assets, operating activities or regional operations and, therefore, the disclosures required in such cases by IFRS 12 are not provided.

INVESTMENTS IN OTHER COMPANIES

(In Euro thousands)	2020	Changes in year	2021
• Finenergia S.p.A. in liquidation	26	0	26
• Società Interporto Campano S.p.A.	1,920	0	1,920
• Cavtomi consortium	150	0	150
• Cavet consortium	434	0	434
• Metro B1 S.c.a.r.l.	467	0	467
• RI.MA.TI. S.c.a.r.l.	6	0	6
• Sirio consortium	0.3	0	0.3
• Lybian Joint Company	9	0	9
• Kafco L.T.D.	1,623	379	2,002
• Cisfi S.p.a.	230	0	230
• Fondazione ITS	10	0	10
• Contratto di programma Aquila consortium (*)	0	0	0
• Parco scientifico e tecnologico Abruzzo consortium (*)	0	0	0
• Tecnosanità S.c.a.r.l.	22	0	22
• Tecnoenergia Nord S.c.a.r.l. consortium	35	0	35
• Tecnoenergia Sud S.c.a.r.l. consortium	7	0	7
• Siluria Technologies Inc. (*)	0	0	0
• Pursell Agri-Tech LLC	4,808	2,686	7,494
Total	**9,746**	**3,065**	**12,811**

(*) The holdings were entirely written down

The investments in other companies mainly refers to consortiums incorporated for specific projects whose duration is related to the project span. These investments are measured at fair value with changes to the statement of comprehensive income, although as not listed on an active market, the fair value is therefore estimated, although does not vary from the cost and the relative portion of equity.

During 2021 the main increase refers to the increase in the equity investment in Pursell Agri-Tech, LLC, specialized in the development and distribution of polymer-coated, controlled-release fertilizers, following an increase in the present value and consequent positive effect also on the reserve for financial assets valued at fair value for approx. Euro 1,642 thousand; the further increase in value is due to the waiver of a loan to the subsidiary against an increase in the capital of the equity investment.

The increase in the investment in Kafco L.T.D. is also due to an increase in its present value.

The key financial highlights relating to other companies is reported below:

Company	Location	Currency	% Group	Through:	%
Contratto di programma Aquila consortium	ITA	EUR	5.50%	KT S.p.A.	5.50%
Fondazione ITS	ITA	EUR	10%	KT S.p.A.	10%
Parco scientifico e tecnologico Abruzzo consortium	ITA	EUR	11.10%	KT S.p.A.	11.10%
Tecnoenergia Nord S.c.a.r.l. consortium	ITA	EUR	12.50%	MST S.p.A.	12.50%
Tecnoenergia Sud S.c.a.r.l. consortium	ITA	EUR	12.50%	MST S.p.A.	12.50%
Tecnosanità S.c.a.r.l.	ITA	EUR	17%	MST S.p.A.	17%
Cavtomi consortium	ITA	EUR	3%	MST S.p.A.	3%
Società Interporto Campano S.p.A.	ITA	EUR	3.08%	MST S.p.A.	3.08%
RI.MA.TI. S.c.a.r.l.	ITA	EUR	6.15%	MST S.p.A.	6.15%
Cavet consortium	ITA	EUR	8%	MST S.p.A.	8%
Metro B1 S.c.a.r.l.	ITA	EUR	19.30%	MST S.p.A.	19.30%
Cisfi S.p.a	ITA	EUR	0.69%	MST S.p.A.	0.69%
Lybian Joint Company	Libya	Libyan Dinar	0.33%	Tecnimont S.p.A.	0.33%
Kafco L.T.D.	Bangladesh	BDT	1.57%	Stamicarbon B.V.	1.57%
Finenergia S.p.A. in liquidation	ITA	EUR	1.25%	Tecnimont S.p.A.	1.25%
Siluria Technologies Inc.	USA	USD	3.160%	MET GAS S.p.A.	3.160%
Pursell Agri-Tech LLC	USA	USD	15.97%	Stamicarbon USA	15.97%

OTHER FINANCIAL ASSETS

Other financial assets amount to Euro 45,658 thousand with a decrease in the year of Euro 10,898 thousand, mainly due to the collection in 2021 of receivables arising in the previous year on work carried out on two projects in Azerbaijan, which were the subject of a final settlement with the client that provided for payment based on a maximum deferment plan of three years and with the obligation of early settlement based on the performance of an agreed market index that during 2021 reached values such as to trigger early repayment by the client.

The breakdown of financial assets at December 31, 2021 is as follows:

Non-current financial assets for Euro 3,839 thousand relate to the restoration of the amount involved in the fraudulent actions perpetuated in 2018 by individuals not yet identified against the subsidiary Tecnimont Arabia L.T.D.. The Maire Tecnimont Group is working with judicial authority offices in Italy and abroad to recover the fraudulently stolen sums. These assets are considered as virtually certain, also on the basis of the opinion of the legal experts supporting the Group in the proceedings. Their recoverability is valued also according to the insurance coverage from leading insurers in protection against such events and the negotiations with the financial intermediaries involved. After the event, following developments in the investigation, approximately USD 650 thousand was recovered from current accounts in which the above amounts had transited from the fraudulent actions. The increase relates to the translation of foreign currency items.

The non-current financial assets for Euro 41,728 thousand include the accounting representation in the Volgafert LLC initiative of the Group. The Maire Tecnimont Group, through the subsidiary Met Dev 1 S.r.l, incorporated together with PJSC KuibyshevAzot, (a Russian chemical sector leader), the joint venture Volgafert LLC. Volgafert LLC’s corporate scope concerns the development, construction, funding, maintenance and management of a new urea plant in Togliatti, in the Samara region of the Russian Federation; the agreements among the partners stipulate for the Maire Tecnimont Group fixed remuneration throughout the duration of the initiative, the right to sell the shares and the guaranteed repayment of the amounts invested in the vehicle’s equity.

The remaining portion of other financial assets includes financial accrued income and prepayments and other financial receivables.

Other financial receivables are recorded net of the doubtful debt provision of Euro 386 thousand at December 31, 2021.

(In Euro thousands)	2020	Provisions	Utilizations	Change in consolidation scope	Other movements	2021
Provision for other doubtful financial debts	210	176	0	0	0	386
Total	**210**	**176**	**0**	**0**	**0**	**386**

For IFRS 9, the impairment requirements are based on an expected credit loss (ECL) model utilizing supporting information, available without unreasonable charges or effort, which includes historic, current and projected figures.

28.8. Other non-current assets

(In Euro thousands)	2020	Changes in year	2021
Trade receivables beyond 12 months	84,184	9,563	93,747
Other trade receivables beyond 12 months	9,283	2,195	11,478
Other Assets beyond one year	15,158	1,264	16,422
Tax Receivables beyond 12 months	3,047	830	3,877
Prepayments beyond 12 months	653	3,653	4,306
Total	**112,325**	**17,508**	**129,833**

Other non-current assets amount to Euro 129,833 thousand, increasing Euro 17,508 thousand compared to December 31, 2020.

Trade receivables due beyond 12 months mainly relate to receivables of Tecnimont S.p.A., MT Russia and KT – Kinetics Technology S.p.A. and the other Group operating companies for withholding guarantees by the buyer for the correct completion of works in progress, or other invoices due beyond 12 months. The increase is mainly due to the new withholdings in the year also in relation to other projects in progress, net of the reclassifications to short-term of a portion of withholdings under guarantee, mainly in relation to the Amursky gas treatment project (AGPP) which, on the basis of the contractual conditions and the progress of the project, will be released within 12 months.

Other trade receivables beyond 12 months amount to Euro 11,478 thousand and increased Euro 2,195 thousand; this amount mainly refers to receivables from J&P Avax and other receivables beyond 12 months, including guarantee deposits. The receivable from the supplier J&P Avax ascertained following the award issued by the Court in relation to the arbitration, was negotiated with the counterparty in 2021, which led to the recognition of a payment plan deferred over time against an acknowledgement to Maire Tecnimont Group of an interest rate for late payment.

The other assets for Euro 16,422 thousand concern the restoration of the amount involved in the fraudulent actions perpetuated in 2018 by individuals not yet identified against the Indian subsidiary Tecnimont Private Limited. The Maire Tecnimont Group is working with judicial authority offices in Italy and abroad to recover the fraudulently stolen sums. These assets are considered as virtually certain, also on the basis of the opinion of the legal experts supporting the company in the proceedings. Their recoverability is valued also according to the insurance coverage from leading insurers in protection against such events. The increase relates to the translation of foreign currency items.

Tax receivables beyond 12 months of Euro 3,877 thousand concern those of the subsidiary KT - Kinetics Technology S.p.A. and Tecnimont Private Limited, expected to be reimbursed by the Treasury beyond 12 months.

Prepayments beyond twelve months amount to Euro 4,306 thousand and mainly comprise advance payments on bank guarantee commissions relating to new large projects acquired.

28.9. Deferred tax assets and liabilities

(In Euro thousands)	2020	Changes in year	2021
Deferred tax assets	25,866	14,733	40,599
Deferred tax liabilities	(21,317)	(16,079)	(37,396)
Total	**4,549**	**(1,346)**	**3,203**

Deferred tax assets and liabilities present a positive net balance of Euro 3,203 thousand, decreasing Euro 1,346 thousand compared to December 31, 2020, as a combined effect of the decrease in deferred tax assets and in deferred tax liabilities.

The main changes in deferred tax assets are the effect of the release of deferred tax assets on excess interest expenses non-deductible in previous years, offset by the deferred tax assets arising on temporary charges deductible in future years, mainly on personnel-related future charges provisions and currency losses realized in 2021. This item also benefits from the recognition of deferred tax assets resulting from the tax recognition of the higher values recorded in the financial statements of some business assets, pursuant to Law Decree No. 104/2020, Article 110.

Deferred tax liabilities increased as a result of temporary differences which will be assessable in future periods, essentially related to the mark to market of the derivative instruments, and differences in accounting standards, mainly related to the subsidiary MT Russa.

Deferred tax assets were measured through critically assessing the future recoverability of these assets on the basis of the capacity of the company and of the Maire Tecnimont Group, also through use of the “tax consolidation” option, to generate assessable income in future years. The National Tax Consolidation was renewed and valid for the years 2019-2021.

The Group enjoys unrecognized theoretical tax benefits for losses carried forward without limit in the amount of Euro 41.2 million in relation to a number of South American companies and other foreign subsidiaries plus an additional Euro 4 million related to the portion of tax benefit resulting from exercising the option to align the carrying and fiscal value of certain assets by taking advantage of the provisions of Article 110 of Leg. Decree No. 104/2020.

Deferred tax assets and liabilities were offset based on the relative jurisdictions.

28.10. Inventories and Advances to Suppliers

(In Euro thousands)	2020	Changes in year	2021
Finished products and goods	3,222	(1,377)	1,845
Advances to suppliers	481,706	(5,020)	476,686
Total	**484,928**	**(6,397)**	**478,531**

“Finished products and goods”, amounting to Euro 1,845 thousand, relate to consumable materials and finished products at the warehouse of the subsidiary Met T&S which supplies chemical products, spare parts and polymers and residually materials for the undertaking of some on-site operations; the decrease in the year concerns the finished product inventory of MyReplast Industries, company of the Nextchem Group which manages an advanced plastics mechanical recycling plant located in Bedizzole, in the province of Brescia, where operations restarted after the slowdowns caused by the COVID-19 pandemic in the previous year.

Advance payments to suppliers, amounting to Euro 476,686 thousand, refer to the advances paid to foreign and Italian suppliers and sub-contractors against materials in progress and transit for the construction of plant and work in progress.

The decrease in the advances to suppliers and subcontractors is a direct consequence of orders picking up, particularly in the initial months of 2021 for which equipment orders were made, resulting in the re-absorption of advance payments to suppliers and particularly subcontractors.

28.11. Contractual Assets

(In Euro thousands)	2020	Changes in year	2021
Works-in-progress	19,631,717	5,317,939	24,949,656
(Advances received on work-in-progress)	(17,703,117)	(4,921,169)	(22,624,286)
Total	**1,928,600**	**396,770**	**2,325,370**

“Contract Assets” are the net positive amount, by individual order, resulting from the difference between progressive production or the amount of works-in-progress recorded according to the percentage of completion net of losses realized or estimated at the reporting date and invoicing on account relating to the advancement of works.

The gross change on works carried out and advances received on work-in-progress is also impacted by the values of the projects closed during the year and transferred to revenues from sales.

The net increase of Euro 396,770 thousand is essentially related to the decreased invoicing for the year compared to the economic advancement of projects. The trend in contract assets reflects both the contract terms on the main orders and the restart of operations at the work sites and of provisioning that had slowed due to the pandemic. This change is expected to turn around in the coming quarters with invoicing on works completed.

The value of the contractual assets includes the additional requests relating to the contracts for the portion considered highly likely to be accepted by the client; the variable fees were recorded in accordance with the guidelines set out in the valuation criteria; during 2021 there was also a restart of settlement activities for certain situations still under negotiation, which had been temporarily interrupted due to the pandemic. Currently, these revenues not yet approved account for approx. Euro 7% of Hydrocarbons BU contract values and approx. 8.4% of Green Energy BU contracts.

The account "Contractual assets" also includes the accounting treatment of transactions with third parties who, following a payment of approx. Euro 90 million in early 2021, have the right to the reserves of the "Raddoppio Ferroviario Fiumetorto Cefalù" ("Fiumetorto Cefalù" line doubling) initiative and the additional claims relating to the "Tempa Rossa". It bears recalling that the sale involves an initial price already paid on a definitive basis, regardless of the course of the negotiations, and a deferred price on the portion in excess of the amount already paid. In view of this deferred amount, the portion deemed highly probable affects the variability of the residual cash flows and therefore did not permit the assets to be fully derecognized as per IAS 32 paragraph 42. The value pertaining to third parties included under "Contractual assets" and of an equal amount shown under "Other current liabilities" amounts to approx. Euro 343.2 million.

28.12. Trade receivables

(In Euro thousands)	2020	Changes in year	2021
Trade receivables - within 12 months	631,508	(151,602)	479,906
Associates - within 12 months	1,632	(1,481)	151
Parent companies - within 12 months	1	(1)	0
Group companies - within 12 months	16,046	(4,543)	11,503
Total	**649,187**	**(157,627)**	**491,560**

Trade receivables at December 31, 2021 amount to Euro 491,560 thousand with a total decrease compared to December 31, 2020 of Euro 157,627 thousand. The trend in trade receivables relates to the contractual terms of the main orders and are impacted also by the advancement of the projects. In this regard, as already reported, 2021 saw, overall, the restart of operations and the recognition of construction conducted previously, with the consequent increase in collections for the period and reduction in trade receivables, which had suffered a temporary interruption due to the pandemic.

As described in the note regarding Contractual Assets, this change will be offset in the coming quarters as the work performed is billed.

Receivables from associates amount to Euro 151 thousand and mainly refer for Euro 73 thousand to receivables from the JV Tecnimont-KTR LLP, for Euro 60 thousand from Gulf Compound Blending Ind Ltd, and for Euro 18 thousand from Hydrogeno Cadereyta.

Trade receivables from group companies mainly include Euro 7,308 thousand from Volgafert in relation to the EPC contract for the construction of a urea plant in the Kuipyshevazot industrial complex and amounts related to engineering services and/or various recharges from Consorzio Cavtomi for Euro 1,890 thousand, Interporto Campano for Euro 1,751 thousand, Consorzio Cavet for Euro 29 thousand, and Consorzi Tecnoenergia Nord e Sud S.c.a.r.l. for Euro 525 thousand.

Trade receivables are recorded net of the doubtful debt provision of Euro 15,182 thousand at December 31, 2021 (Euro 17,280 thousand at December 31, 2020).

(In Euro thousands)	2020	Provisions	Utilizations	Change in consolidation scope	Other movements	2021
Doubtful debt provision - trade receivables	17,280	2,411	(3,861)	0	(648)	15,182
Total	**17,280**	**2,411**	**(3,861)**	**0**	**(648)**	**15,182**

The doubtful debt provision in the year amounted to Euro 2,411 thousand, decreasing on the previous year. The account in the previous year had reported greater provisions as a consequence of a greater amount of receivables and, for some positions, was also affected by a deterioration of counterparty risk as a result of the COVID-19 pandemic, which, particularly in the first part of 2020, had brought about a worldwide landscape of great economic and financial tension and consequent impact on financing activities.

The change in the year is therefore also a consequence of the recovery on the markets, which have positively affected the valuations of the expected losses.

For IFRS 9, the impairment requirements are based on an expected credit loss (ECL) model utilizing supporting information, available without unreasonable charges or effort, which includes historic, current and projected figures.

Overdue trade receivables principally refer to the Green Energy Business Unit and concern Italian public sector entities for Infrastructure and Civil Engineering activities; in relation to the Hydrocarbons BU, they refer to a few positions and are constantly monitored. Neither client categories provide concern from a solvency viewpoint (Italian and foreign state bodies), or for the recoverability of the amounts.

All trade receivables in the accounts substantially approximate fair value which was calculated as indicated in the accounting policies section.

28.13. Current tax assets

(In Euro thousands)	2020	Changes in year	2021
Current tax receivables	59,994	(10,750)	49,243
Other tax receivables	44,769	50,116	94,885
Total	**104,762**	**39,366**	**144,128**

Current tax assets amount to Euro 144,128 thousand, an increase of Euro 39,366 thousand compared to December 31, 2020. The account mainly refers to VAT for Euro 94,885 thousand and other tax receivables of Euro 49,243 thousand.

The VAT receivables relate to the balance of the tax consolidation undertaken by the Parent Company Maire Tecnimont S.p.A of Euro 35,470 thousand, an increase of Euro 29,471 thousand compared to December 31, 2020, receivables of Italian companies not yet within the Group consolidation or prior to their inclusion and therefore not transferred to the parent company for Euro 22,318 thousand, an increase of Euro 14,308 thousand compared to December 31, 2020, foreign companies amounting to Euro 18,445 thousand (of which approx. Euro 2,309 thousand relating to Tecnimont Private Limited, Euro 7,601 thousand for MT Russia and Euro 2,716 thousand relating to TCM-KT JV Azerbaijan LLC) and for Euro 18,652 thousand the foreign subsidiary Tecnimont Chile. The VAT receivables of the South American entities are considered recoverable not only through the acquisition of new projects by the South American Group, but also in view of their recognition on any sale of the company.

Current tax receivables for Euro 49,243 thousand principally refer to:

- tax receivables of foreign companies for Euro 10,456 thousand, mainly related to the tax receivables of the Dutch subsidiary Stamicarbon BV, MT Russia and the Indian Tecnimont Private Limited;
- residual tax receivables of Euro 38,787 thousand mainly related to: excess corporation tax payment on account compared to current income taxes of the other companies of the Group not with the tax consolidation, IRAP payments on account, tax receivable for bank interest withholding tax and other tax receivables for various reimbursements, as well as tax credits for income taxes paid abroad.

The reduction in current tax assets compared to December 31, 2020 is a consequence of the balance of the Group tax consolidation pertaining to the Parent Company Maire Tecnimont S.p.A. that in the previous year was a credit for approx. Euro 8,763,000 and that at December 31, 2021 instead, following the estimate of the tax charge for 2021, is a net payable classified to tax payables.

Maire Tecnimont S.p.A. and the subsidiaries Tecnimont S.p.A., MST S.p.A., Met Gas Processing Technologies S.p.A., Neosia Renewables S.p.A., KT S.p.A., Met Development S,p,A., Met Dev 1 S.r.l. and Tecnimont-KT JV S.r.l. opted to apply the Tax Consolidation regime which permits the calculation of the IRES corporation tax on a tax basis representing the aggregate of the taxable income and losses of the individual companies. The Tax Consolidation is valid for fiscal years 2019-2021 and shall be deemed tacitly renewed unless revoked.

Maire Tecnimont S.p.A. and the Tecnimont S.p.A. companies, Neosia Renewables S.p.A., Met Gas Processing Technologies S.p.A., Consorzio Cefalù 20 S.c.a.r.l., Met Development S.p.A, MST S.p.A. and Tecnimont-KT JV S.r.l. have also applied the Group VAT consolidation regime.

28.14. Financial instruments - Derivatives (Current assets)

(In Euro thousands)	2020	Changes in year	2021
Financial instruments - Currency hedging derivatives	5,262	18,454	23,716
Financial instruments - Raw material hedging derivatives	0	1,642	1,642
Financial instruments - Total Return Equity SWAP (TRES) derivatives	0	1,222	1,222
Total	**5,262**	**21,318**	**26,580**

Current asset derivative financial instruments at December 31, 2021 amount to Euro 26,580 thousand, increasing Euro 21,318 thousand compared to December 31, 2020 and concern the fair value measurement of the derivative contracts in force.

The account for Euro 23,716 thousand refers to the measurement of the derivative instruments to hedge against currency risks on the cash flows related to project revenues and costs, principally concerning the US Dollar and the Ruble; the positive mark-to-market will be set off against future operating cash flows of a similar amount. The changes are due to the currency movements principally of the Dollar and the Ruble against the Euro during 2021, as a result of the situation created on the currency markets, which had a negative impact on the valuation of derivative instruments stipulated to hedge job orders.

The increase in the account derivative financial instruments to hedge against changes in the prices of raw materials (mainly copper) is due the subscription to new instruments during 2021 and market performance during the period.

The account for Euro 1,222 thousand concerns the positive fair value of the residual portion of a cash-settled Total Return Equity Swap derivative instrument (TRES); to hedge against movements in the Maire Tecnimont share price essentially tied to the personnel incentive plans in place. The residual portions of the instrument as at December 31, 2021 hedged the risk relating to approx. 1.5 million shares. The derivative contract (TRES) was underwritten with a financial intermediary, with no obligation for Maire Tecnimont to acquire the treasury shares, but only the obligation for the settlement between the parties of the differential between the exercise price and the Maire Tecnimont share price on the maturity of the instruments. Contractual maturity is December 31, 2022. For accounting purposes, the TRES cannot be designated as a hedging derivative instrument and is valued, in accordance with IFRS 9 at fair value, with the related changes recorded in the income statement.

The increase in cash-settled Total Return Equity Swap (TRES) derivative income is due to the favorable Maire Tecnimont share price in 2021 and in particular in the last part of the year with a consequent increase in the positive mark-to-market of the instrument.

For further information and analysis of the Fair Value Hierarchy, reference should be made to the "FINANCIAL RISKS" section.

28.15. Other current financial assets

(In Euro thousands)	2020	Changes in year	2021
Financial receivables within 12 months:			
Subsidiaries	0	10	10
Associates	594	1,249	1,843
Group companies	788	(601)	187
Other securities	490	289	779
Others	7,545	(5,064)	2,481
Total	**9,417**	**(4,117)**	**5,300**

Other current financial assets at December 31, 2021 amount to Euro 5,300 thousand, a decrease of Euro 4,117 thousand compared to December 31, 2020.

The financial receivables from non-consolidated subsidiaries are from Tecnimont Iberia for Euro 10 thousand.

Financial receivables from associates concern Villaggio Olimpico Moi for Euro 24 thousand, for Euro 14 thousand G.C.B. General Trading Ltd, for Euro 178 thousand from Gulf Compound Blending Ind Ltd , for Euro 650 thousand the JV Kazakhstan Tecnimont-KTR LLP and for Euro 977 thousand the associate Hidrogeno Cadereyta S.A.P.I. de C.V.

Financial receivables from group companies include Euro 187 thousand from the consortium CAVET, and the Euro 601 thousand reduction is related to financing to Pursell Agri-Tech LLC, which was waived during the year in connection with an increase in capital for the shareholding.

"Other securities" amounting to Euro 779 thousand concern subscriptions to units of the 360 Capital Partners managed 360-PoliMI investment fund; the fund specializes in the advanced manufacturing sector (high-technological content industrial solutions); the Milan Polytechnic, an initiative partner, supports the manager in the scouting, selection and assessment of initiatives invested in by the fund; this investment is valued as a financial asset at fair value with impact on the income statement; the increase in the year is due to the subscription of further units totaling Euro 373 thousand net of the reduction for Euro 84 thousand to adjust to the fair value of the investment.

Other receivables amount to Euro 2,481 thousand, decreasing Euro 5,064 thousand; this account includes financial receivables from factoring companies and banks for the residual portion of advances received, receivables from some minor consortiums for special purpose projects of the MST Group, deposits, financial prepayments and accrued income and other financial receivables. The decrease in the year is due to the receipt of the short-term portion of a financial receivable arising in the previous year from the closure of a final settlement with a client; for further details, see the note "Other non-current financial assets" for the long-term portion of the agreement which was repaid in advance.

For all financial assets, the book value approximates the fair value which is calculated as described in the accounting policies section.

28.16. Other current assets

(In Euro thousands)	2020	Changes in year	2021
Others receivables within 12 months	242,252	(23,482)	218,770
Commercial prepayments	13,952	2,193	16,145
Total	**256,204**	**(21,289)**	**234,915**

Other current assets at December 31, 2021 amount to Euro 234,915 thousand, a decrease of Euro 21,289 thousand compared to December 31, 2020.

The breakdown of other receivables due within 12 months is shown in the table below:

(In Euro thousands)	2020	Changes in year	2021
Receivables from consortiums and JV's	2,322	278	2,600
Contractual penalties to suppliers and sub-contractors	177,290	(40,990)	136,300
Other debtors	28,806	16,254	45,060
Taxes, VAT and levies (foreign companies)	25,968	1,878	27,846
Guarantee deposits	3,644	(1,479)	2,165
Other prepayments (rental, commissions, assistance)	13,952	2,193	16,145
Employee receivables	1,116	(32)	1,084
Social security institutions	2,375	(193)	2,183
Receivables for unpaid contributions from other shareholders	730	801	1,531
Total	**256,204**	**(21,289)**	**234,915**

The decrease in the account is mainly due to the collection of certain receivables from suppliers and subcontractors previously charged for contractual penalties, net of other increases.

The account therefore mainly comprises receivables from suppliers and subcontractors for contractual penalties charged as accrued to them in the course of supplying materials and/or providing services, under tender and otherwise, due to delays, production flaws and/or costs incurred on their account, including as a result of additional work, and then subsequently recharged.

To safeguard against these situations, the Group normally makes either deductions from the fees to be paid to counterparties over the life of supply/service contracts, and/or bank or insurance guarantees are requested to compensate for their improper performance.

The account also comprises commercial discounts, employee receivables, social security and tax receivables, VAT and taxes of foreign companies and other various receivables, in addition to receivables from the other shareholders of the consolidated consortium companies.

28.17. Cash and cash equivalents

(In Euro thousands)	2020	Changes in year	2021
Bank deposits	705,129	(28,270)	676,859
Cash in hand and similar	198	43	241
Total	**705,327**	**(28,227)**	**677,100**

Cash and cash equivalents at December 31, 2021 amount to Euro 677,100 thousand, a decrease of Euro 28,227 thousand compared to December 31, 2020.

Operating activities generated cash in the year of Euro 196,499 thousand, continuing the improvement from Q2 2020; cash flows from operating activities include also income tax payments, which in 2021 totaled Euro 43,432 thousand.

As previously outlined, net working capital consistently improved over the first 3 quarters of 2021; cash was therefore generated thanks to operating activities on the main projects underway which were restarted and recognitions made for construction work carried out earlier, resulting in higher receipts for the period, the settlement of certain positions, which due to the pandemic had suffered a temporary interruption and finally thanks to the significant acquisition of new projects in 2021, with the collection of the related advances from clients which further benefitted cash flows.

Cash flow from investing activities however absorbed cash totaling Euro 31,016 thousand, mainly due to the net effect of disbursements related to new software and related implementations in connection with initiatives related to the Digital Transformation program undertaken by the Group, and further efforts for the development of new technologies and intellectual property rights (patents and licenses) mainly from Stamicarbon B.V and the Nextchem Group. Disbursements relating to tangible fixed assets mainly refer to projects to expand the industrial activities of the subsidiary MyReplast Industries S.r.l. and purchases of specific equipment for wifi infrastructures and accessory components for both head offices and work sites.

Financial management also in this case absorbed cash totaling Euro 193,710 thousand; as previously indicated, this follows the voluntary early repayment option on the Euro 20 million “2017-2023 Bond Loan” and the repayment of two installments of the medium/long-term loan for a nominal Euro 185 million of the subsidiary Tecnimont S.p.A for approx. Euro 30 million; in 2021 current financial payables also decreased due to the reduction of credit lines to manage current commercial requirements and working capital lines for the management of several projects, interest paid and the repayment of the capital portions of financial leasing payables.

Additional effects were due to the payment of the dividend approved by the Shareholders’ Meeting of Euro 38,122 thousand and the purchases of treasury shares for approx. Euro 5.5 million.

The estimate of the “fair value” of bank and postal deposits at December 31, 2021 approximates their book value.

28.18. Non-current assets classified as held-for-sale

At December 31, 2021, there were no non-current assets or liabilities classified as held-for-sale (”Discontinued Assets”).

28.19. Shareholders' Equity

Group Shareholders' equity at December 31, 2021 amounts to Euro 493,252 thousand, a net increase of Euro 80,416 thousand compared to December 31, 2020 (Euro 412,836 thousand).

Total consolidated Shareholders' Equity, considering minority interests, at December 31, 2021 amounts to Euro 527,350 thousand, an increase of Euro 79,072 thousand compared to December 31, 2020.

The overall increase in consolidated Shareholders' Equity reflects the consolidated net income for the year of Euro 80,471 thousand and the increase in the Cash Flow Hedge reserve of the derivative instruments, which mainly relates to the temporary mark-to-market gains of the derivative instruments to hedge the currency and raw materials risk related to the revenues and costs from the projects, net of the relative tax effect for Euro 24,645 thousand and of the reserve for the translation of items in foreign currencies, also in this case positive for Euro 12,307 thousand.

The main reductions concerned the payment of the dividend approved by the Shareholders' AGM of April 15, 2021, of Euro 38,122 thousand and the purchase of treasury shares in the year to service Maire Tecnimont stock-based remuneration and incentive plans adopted by the Company.

SHARE CAPITAL

The Share Capital at December 31, 2021 was Euro 19,920,679 and was comprised of 328,640,432 shares without par value and with normal rights.

SHARE PREMIUM RESERVE

The Share Premium Reserve at December 31, 2021 amounted to Euro 272,921 thousand, broken down as follows:

The reserve comprises for Euro 25,000 thousand the share premium prior to November 26, 2007 and for Euro 58,045 thousand the share premium on the capital increase of 2007 net of the listing costs of Euro 3,971 thousand, net of the tax effect.

The change in 2013 was Euro 141,653 thousand, comprising share premium paid following the reserved share capital increase and from other shareholders amounting to Euro 146,417 thousand, offset for Euro 4,167 thousand for share capital increase charges net of the tax effect.

The increase in 2018 was Euro 48,223 thousand, following the share capital increase in service of conversion of the "€80,000,000 5.75 per cent equity-linked bonds due 2019" equity-linked bond loan.

This reserve may be utilized for share capital increases without consideration and/or for the coverage of losses. In accordance with Article 2431 of the Civil Code, this reserve may be distributed to the shareholders following a Shareholders' Meeting motion.

OTHER RESERVES

The other reserves at December 31, 2021 were negative and amount to Euro 16,330 thousand and comprise:

- Legal Reserve of the Parent Company Maire Tecnimont S.p.A. at December 31, 2021 of Euro 5,328 thousand;
- Asset revaluation reserve of Euro 9,772 thousand recorded following the accounting of the purchase of the residual 50% of Tecnimont Private Limited, and the revaluation of other buildings;
- Translation reserve at December 31, 2021 of a negative Euro 42,854 thousand and comprising the temporary translation differences of the financial statements in foreign currencies; the change in the year was a increase of Euro 12,307 thousand, impacted by currency movements as previously described;
- Statutory reserves, which at December 31, 2021 amount to Euro 23,665 thousand - reducing Euro 3,867 thousand following the distribution of the dividend approved by the Shareholders' AGM;
- Other reserves, which at December 31, 2021 amounted to a negative Euro 18,239 thousand;

- Treasury shares in portfolio equal to Euro 515 thousand; during the year Maire Tecnimont S.p.A. purchased treasury shares in implementation of the Shareholders' Meeting resolution to service the remuneration and incentive plans based on Maire Tecnimont shares adopted by the Company. As part of the share buy-back program, between April 21, 2021 and April 28, 2021 inclusive, 2,100,000 treasury shares were acquired (corresponding to 0.64% of the total number of ordinary shares), at an average weighted price of Euro 2.609, for a total amount of Euro 5,479,356.80, and the program was therefore completed. Subsequently, 1,239,528 shares from the 2017-2019 Restricted Stock Plan were delivered to beneficiaries of the Program and an additional 663,126 shares were delivered to beneficiaries of the First Cycle (2020) of the General Share Plan. At December 31, 2021, the Company therefore held a residual 197,346 treasury shares for total consideration of Euro 515 thousand, to be utilised for the subsequent cycle of the multi-year general share plan;
- IFRS 2 Reserve for Euro 6,563 thousand, which includes both the valuation of the Second Cycle (2021) of the 2020-2022 General Share Plan and the 2021-2023 LTI Plan. The Reserve reported a net decrease of Euro 4,825 thousand for the year. The movements refer to accruals in 2021 of Euro 8,037 thousand, reductions for utilization of Euro - 6,788 thousand following both the delivery to beneficiaries of the shares allocated under the 2017-2019 Restricted Stock Plan, the financial effects of which had already been recognized in previous years, and for which, on a prudent basis, it was decided to suspend this allocation in the previous year, and to the beneficiaries of the First Cycle (2020) of the General Share Plan and a further reduction for adjustments to prior year values for Euro 6,074 thousand.

  The adjustments mainly take account of the proceeds related to the 2019-2021 LTI plan where there were rights to receive Maire Tecnimont shares free of charge during the period 2019-2021, which were actually granted based on meeting certain conditions of industrial performance assessed both annually and at the end of the period in question. In the previous years the vesting conditions of the benefits were assessed as probable and therefore included under personnel expense, but in view of the industrial performances concluding with the 2021 year these expectations were no longer valid and consequently no accrual was made for the final year of the plan and income was recognized for previous years.

  The afore-mentioned plans are represented as "Equity Settled" plans as the Group has allocated its own equity instruments as additional remuneration for the services received (the work performance). The Group did not however assume any liability to be settled with cash and cash equivalents or with other assets for employees. Given the impossibility to reliably estimate the fair value of the services received from the employees, the benefit cost to the employees is represented by the fair value of the shares granted, calculated at the grant date, to be recognized in the income statement under personnel costs and in a specific “IFRS 2 reserve” under equity.

VALUATION RESERVE

The valuation reserve, which at December 31, 2021 was positive for Euro 5,173 thousand, comprises the Cash Flow Hedge reserve, the Cost of Hedging Reserve (containing the effects of the costs of hedging in relation to the time value of the options), the actuarial gains and losses reserve and the financial assets measured at fair value reserve.

The changes in the valuation reserve are shown below:

(In Euro thousands)	Cash Flow Hedge Reserve & Cost of Hedging Reserve	Actuarial Gains/Losses	Financial assets measured at fair value reserve	Total
Net book value at December 31, 2020	**(10,357)**	**(1,907)**	**(9,242)**	**(21,507)**
Actuarial gain/(losses)	0	(1,199)	0	(1,199)
Relative tax effect	0	288	0	288
Valuation derivative instruments	32,427	0	0	32,427
Relative tax effect	(7,782)	0	0	(7,782)
Fair value changes of investments with OCI effects	0	0	2,946	2,946
Net book value at December 31, 2021	**14,287**	**(2,818)**	**(6,296)**	**5,173**

The increase in the Cash Flow Hedge reserve of the derivative instruments, as previously illustrated, mainly relates to the mark-to-market gains of the derivative instruments to hedge the currency and raw materials risk on project revenues and costs, net of the relative tax effect.

The changes are due to the currency movements principally of the Dollar and the Ruble against the Euro in 2021, as a result of the rebound on the currency markets, which had a positive impact on the valuation of derivative instruments stipulated to hedge job orders. The positive mark to market which had a positive impact on Cash Flow Hedge will be offset by future operating cash outflows of the same amount.

The increase in the reserve for financial assets measured at fair value refers for approx. Euro 1,642 thousand to the increase in the value of the equity investment in Pursell Agri-Tech, LLC, specializing in the development and distribution of polymer-coated, controlled-release fertilizers, following an increase in its present value, and for Euro 1,304 thousand in relation to the equity investment in Kafco L.T.D, of which Euro 379 thousand as an effect of the revaluation in 2021 and the remainder following a reclassification from retained earnings in relation to revaluation effects in previous years.

The decrease in the actuarial provision was due to the effect of the actuarial losses deriving from the change in the technical assumptions utilised for the present valuation compared to the previous, in addition to the change in the demographic and financial assumptions of the previous calculation model compared to that which effectively occurred during the valuation period.

The reconciliation between the “net income of Maire Tecnimont S.p.A. and Group net income” and the “Net equity of Maire Tecnimont S.p.A. and Group net equity” is shown below.

RECONCILIATION BETWEEN NET INCOME OF MAIRE TECNIMONT S.P.A. AND GROUP NET INCOME

(In Euro thousands)	2020	2021
Maire Tecnimont S.p.A. net income	**(13,202)**	**73,741**
Inter-company dividends eliminated in consolidated financial statements	(14,000)	(83,082)
Result reported by subsidiaries	85,780	91,108
Elimination of inter-company profits and write-downs	(2,719)	935
Other consolidation adjustments	4,233	1,212
Current and deferred taxes	(2,291)	(613)
Group net income	**57,801**	**83,301**

RECONCILIATION BETWEEN NET EQUITY OF MAIRE TECNIMONT S.P.A. AND GROUP NET EQUITY

(In Euro thousands)	2020	2021
Maire Tecnimont S.p.A. shareholders' equity	**444,071**	**477,326**
Elimination of the book value of consolidated investments	(771,231)	(774,021)
Recognition of net equity of the consolidated investments	583,541	629,282
Other consolidation adjustments	156,455	160,665
Group Shareholders' equity	**412,836**	**493,252**
Minority interest	35,442	34,098
Consolidated Shareholders' Equity	**448,279**	**527,350**

In 2021, some Group companies exercised the option to realign the tax value of certain business assets to the higher book value recorded in the financial statements, as provided for in Decree Law No. 104/2020, Article 110.

It should be noted that the Group's shareholders' equity reserves include a tax suspension restriction for tax purposes amounting to Euro 37,600 thousand. This restriction satisfies the condition set out by Decree Law No. 104/2020 Article 110, paragraph 8, for the tax recognition of the higher values recorded in the financial statements of the business assets subject to tax realignment.

28.20. Financial payables - non-current portion

(In Euro thousands)	2020	Changes in year	2021
Bank payables beyond 12 months	567,189	(118,252)	448,937
Total	**567,189**	**(118,252)**	**448,937**

Financial payables, net of the current portion, amount to Euro 448,937 thousand, reducing Euro 118,252 thousand on December 31, 2020, principally following the reclassification to short-term of portions of the medium/long-term loan of a nominal Euro 185 million of the subsidiary Tecnimont S.p.A. and for the repayment of principal of Euro 30 million and also for the reclassification to short-term of portions of the nominal Euro 365 million loan, backed for 80% by SACE's "Italy Guarantee", of a loan with Creval and a portion of the "ESG Linked Schuldschein Loan", net of a new loan for a total of approx. Euro 1.5 million signed with Banca Popolare di Sondrio to support the activities of MyReplast Industries S.r.l.

At December 31, 2021 financial debt net of the current portion was composed as follows:

- Euro 320,818 thousand from the loan backed for 80% by SACE's "Italy Guarantee", net of related ancillary charges, with an initial nominal value of Euro 365 million (Euro 365,175 thousand at 31 December 2020).

  On July 8, 2020, Maire Tecnimont S.p.A. signed a loan agreement for Euro 365 million, 80% of which was backed by SACE's "Garanzia Italia" (Italy Guarantee), and disbursed by a syndicate of leading Italian financial institutions comprising Banco BPM, Cassa Depositi e Prestiti, Intesa Sanpaolo and Unicredit. The loan mainly supported the working capital needs of the parent company Maire Tecnimont and its main operating companies in Italy, in line with the provisions of the Liquidity Decree of April 9, 2020 and has a total duration of 6 years, of which 2 years grace period and a rate of 1.7% per annum, plus the cost of SACE's Italy Guarantee. The financing, with extremely flexible features - as it can be repaid in whole or in part at any time without additional cost - was also undertaken to cope with the volatility of the markets caused by COVID-19.

  The loan includes covenants in line with normal business practice for such operations; specifically, the loan's financial covenants concern the ratio between the net financial position and net equity, as well as between the net financial position and EBITDA on a half-yearly basis, with next measurement on the FY 2021 figures.

- For Euro 64,595 thousand of the medium/long term loan attributable to Tecnimont, net of the related additional charges, with an initial nominal value of Euro 185 million (Euro 128,078 thousand at December 31, 2020).

  In 2018, the subsidiary Tecnimont S.p.A. had signed an agreement for a medium/long-term credit line. The operation had also called for an the increase of the "Revolving Facility" credit line issued to Tecnimont, from Euro 50 million to Euro 100 million. The Loan Agreement made it possible to further reduce the applicable margin of the Group's medium to long-term bank debt, extending the repayment period. The Loan Agreement thus has a duration of 5 years, with repayment beginning in June 2020 and the last instalment due on June 30, 2023. During 2021, repayments were made for a total principal amount of Euro 30 million.
  The loan includes covenants in line with normal business practice for such operations; specifically, the loan's financial covenants concern the ratio between the net financial position and net equity, as well as between the net financial position and EBITDA on a half-yearly basis, with next measurement on the FY 2021 figures.

- For Euro 54,678 thousand of the ESG-linked Schuldschein loan attributable to Maire Tecnimont, net of the related additional charges, with a nominal value of Euro 62.5 million (Euro 62,025 thousand at December 31, 2020).
  In 2019, Maire Tecnimont made a further commitment to its Green Acceleration project, launched in 2018, by taking out a loan to support Group investments in green technologies. The instrument is divided in two tranches (Euro 7.5 million maturity in 2022 and Euro 55 million maturity in 2024) with an average duration of approximately 5 years, total repayment at maturity, and an average rate of approximately 2.3%. The cost of the instrument may also vary – including downwards – in relation to the achievement of the Group's CO2 emission reduction targets.
  The bonds are supported by covenants in line with market practice; specifically, the bond covenants regard the maintenance of a ratio between the net financial position and EBITDA on a yearly basis, with the next measurement based on the figures at December 31, 2021.

- For Euro 7,519 thousand the loan from Banca Popolare di Sondrio for a nominal value of Euro 10 million functional to the activities of MyReplast Industries S.r.l., net of the relative ancillary charges (Euro 8,559 thousand at December 31, 2020) and for Euro 1,327 thousand from a new loan also signed by MyReplast Industries S.r.l. with Banca Popolare di Sondrio for a nominal Euro 1.5 million.

  Maire Tecnimont is currently not aware of any default situations regarding the above-mentioned covenants. The bond covenants, which regard the maintenance of a ratio between the net financial position and net equity, as well as between the net financial position and EBITDA, on a half-yearly basis, to be next measured on the figures at December 31, 2021, have all been complied with according to the results currently available.

28.21. Provisions for charges - beyond 12 months

(In Euro thousands)	2020	Changes in year	2021
Provisions for charges - beyond 12 months	31,512	(22,152)	9,360
Total	**31,512**	**(22,152)**	**9,360**

The provision for charges amounts to Euro 9,360 thousand, a decrease of Euro 22.152 thousand compared to December 31, 2020.

The account mainly includes charges related to legal cases and disputes in course including fiscal, in addition to personnel disputes and contractual risks on projects closed. The account also includes the measurement at equity of companies with a negative net equity for which the company has the intention - although not immediate given the absence of regulatory obligations - to contribute to the coverage of the negative net equity of the investee.

The main decrease refers to the provision in connection with an old legal dispute on a contract, for which the amount due was paid during the year.

Further decreases refer to the provision for some personnel disputes and the use of the provision to cover the negative equity of an associate company.

Other minor changes primarily regard contractual risks on closed contracts and disputes arising from periodic legal monitoring of the progress of overall litigation.

The decrease in provisions related to personnel expenses is a result of the reclassification within 12 months of employee compensation and incentive policies, primarily for the deferred portions of the MBO plan reported in 2019. In this regard, however, it should be noted that during the previous year, in consideration of developments in the global landscape in relation to the COVID-19 emergency, the Board of Directors had decided to suspend employee incentives policies, and mainly the short- and medium-term monetary (MBO) plans, in order to continue the pursuit of long-term interests, of business sustainability, and of the Group's market competitiveness overall.

The composition and changes in the year are shown below:

(In Euro thousands)	2020	Provisions	Util.	Reclass./Change in consolidation scope	2021
Provision for personnel charges	**4,574**	**0**	**(25)**	**(4,375)**	**174**
Other provisions	4,375	0	0	(4,375)	0
Disputes provision	199	0	(25)	0	174
Provision for fiscal risks	**6,201**	**0**	**0**	**0**	**6,201**
Provision for other charges:	**20,737**	**972**	**(18,133)**	**(590)**	**2,985**
Legal, contract and other risks	18,989	0	(16,738)	(590)	1,660
Coverage for losses in associates	1,748	972	(1,395)	0	1,325
Total	**31,511**	**972**	**(18,158)**	**(4,965)**	**9,360**

For details on liabilities and related estimates of timing, see the section "Disputes" of the Directors' Report.

28.22. Post-employment & other employee benefits

(In Euro thousands)	2020	Changes in year	2021
Post-employment & other employee benefits	10,489	303	10,792
Total	**10,489**	**303**	**10,792**

The Group has a liability to all employees of the Italian companies regarding the statutory TFR (Post-employment benefit) provision, while the employees of some foreign companies of the Tecnimont Group, in particular the Indian subsidiary Tecnimont Private LTD, are recognized defined contribution plans.

In accordance with IAS 19 (Employee benefits), the Group estimated the liability for defined benefit plans at December 31, 2021; the changes in the year are shown below:

(In Euro thousands)	POST-EMPLOYMENT BENEFIT PROVISION	OTHER PLANS	Total
Balance at December 31, 2020	**10,489**	**1**	**10,489**
Changes in the year	(636)	939	303
Balance at December 31, 2021	**9,852**	**940**	**10,792**

The change in the post-employment benefit provision was due to the net effect of the decreases relating to departures of employees and the of the decrease also following the actuarial losses deriving from the change in the technical assumptions utilised for the present valuation compared to the previous, in addition to the change in the demographic and financial assumptions of the previous calculation model compared to that which effectively occurred during the valuation period.

The increase in other plans is related to both provisions for the year and a reclassification of a defined benefit plan of the Indian subsidiary.

The Cost relating to current employment services is recognized in the Income Statement under “Personnel expense”. Financial expenses on obligations assumed are recognized in the Income Statement under financial expenses - other charges. Actuarial gains and losses and recognized in a specific valuation reserve under Equity.

The methods used are the same as those of the previous year, and the assumptions made in measuring post-employment benefits concern:

- Inflation: With reference to the first assumption, based on an examination of the macroeconomic scenario presented in the most recent Economic and Financial Document and Update Note with respect to the date of intervention, an annual rate of 1.5% was adopted;
- Salary increases: with reference to the salary increases, in line with that for the demographic technical bases, new salary line accounts were created for the companies which do not deposit the Employee Leaving Indemnity Provision with the INPS Treasury Fund; a salary growth rate of 3% annually was assumed for all employees, including inflation;
- Discount rate: determined with reference to bond market rates of primary companies at the valuation date. Specifically, the “Composite” interest rate curve of corporate issuers with “Investment Grade” AA ratings in the Eurozone was utilized (source: Bloomberg) at 31.12.2021.
- Workforce reference: for the internal workforce subject to analysis of the Maire Tecnimont Group, the average age and length of service were considered (Post-employment benefit base) and an estimate of staff turnover.

Sensitivity analysis was also undertaken based on the changes in the following parameters: a) discount rate, b) inflation rate, c) salary increase, d) probability of departure and advances on Post-employment benefit provision; on the basis of these analyses, the range of values of the liabilities for defined benefit plans was established which did not highlight any significant impacts.

In relation to the liabilities at December 31, 2021, a change of +0.5% in the discount rate applied to the calculation would produce a positive effect equal to Euro 0.3 million and in the same manner a change of -0.5% would produce a negative effect of Euro 0.3 million. A change of +0.5% in the inflation rate applied to the calculation would produce a negative effect of Euro 0.2 million and in the same manner a change of -0.5% would produce a positive effect of Euro 0.2 million. A change of +0.5% in the salaries applied to the calculation would produce a negative effect of Euro 0.02 million and in the same manner a change of -0.5% would produce a positive effect of Euro 0.06 million. A change of +0.5% in the probability of the termination of employment applied to the calculation would produce a positive effect of Euro 0.05 million and in the same manner a change of -0.5% would produce a negative effect of Euro 0.02 million.

28.23. Other non-current liabilities

(In Euro thousands)	2020	Changes in year	2021
Trade payables beyond 12 months	78,367	(4,013)	74,354
Tax payables beyond 12 months	3	440	443
Accrued liabilities	0	47	47
Total	**78,371**	**(3,527)**	**74,844**

Other non-current other liabilities at December 31, 2021 amount to Euro 74,844 thousand and mainly refer to the withholdings made by the Group to suppliers/sub-contractors in accordance with contractual guarantees for the correct completion of works.

The decrease concerns the advancement of orders and the contractual terms with suppliers, against which withholding taxes were lower at December 31, 2020, due in part to the completion of some of the main orders.

The increase in "Taxes payable beyond 12 months" mainly relates to the payable for the third instalment of the substitute tax pursuant to Decree Law No. 104/2020, Article 110, following the exercise of the option to realign the book value with the fiscal value of some business assets.

28.24. Financial instruments - Derivatives (Non-current liabilities)

(in Euro thousands)	2020	Changes in year	2021
Financial instruments - Currency hedging derivatives	11,606	(4,070)	7,536
Financial instruments - Interest rate hedging derivatives	1,026	(1,026)	0
Total	**12,632**	**(5,096)**	**7,536**

Non-current liabilities derivative financial instruments at December 31, 2021 amount to Euro 7,536 thousand, a decrease of Euro 5,096 thousand compared to December 31, 2020 and concern the fair value measurement of the derivative contracts in force.

The account for Euro 7,536 thousand relates to the measurement of the derivative instruments to hedge against currency risks on the cash flows related to project revenues and costs. The mark-to-market is negative as exchange rates between the subscription date of the derivative instruments and the reporting date saw a revaluation principally of the Dollar and the Ruble against the Euro; the negative mark-to-market will be offset by future operating cash flows of a similar amount. The changes are due to the currency movements principally of the Dollar and the Ruble against the Euro during 2021 as a result of the situation created on the currency markets, which had a positive impact on the valuation of derivative instruments stipulated to hedge job orders.

The interest rate derivatives referred to the valuation of the Interest Rate Swap (IRS) derivatives to hedge the exposure to the risk on variable interest rate movements on a portion of the loan signed by Maire Tecnimont S.p.A. for Euro 365 million, 80% of which is backed by SACE's Garanzia Italia (Italy Guarantee), a portion of which, at December 31, 2021, following trends in interest rates, has been categorized as a short-term liability, while another portion has been categorized as non-current asset derivative instruments.

For further information and analysis of the Fair Value Hierarchy, reference should be made to the "FINANCIAL RISKS" section.

28.25. Other non-current financial liabilities

(In Euro thousands)	2020	Changes in year	2021
Payables to other lenders - Bonds	183,572	(19,540)	164,032
Other financial payables	14,989	226	15,216
Payables to other shareholders	9	(9)	0
Financial payables - Warrants	0	617	617
Total	**198,570**	**(18,705)**	**179,865**

Other non-current financial liabilities at December 31, 2021, amount to Euro 179,865 thousand, a decrease of Euro 18,705 thousand compared to December 31, 2020, as a result of exercising the option for the voluntary early redemption of the 2017-2023 Bond in the amount of Euro 20 million subscribed by Amundi Asset Management in April 2017 with a contractual maturity of 2023.

"Other non-current financial liabilities" include Bond payables:

- For Euro 164,032 thousand, the non-convertible Bond Loan for a total Euro 165 million, net of accessory charges, issued in 2018 (Euro 163,637 thousand at December 31, 2020).

In this regard, we report the following:

On May 3, 2018, Maire Tecnimont issued 165,000 Non-Convertible Bonds at a price equal to 100% of the nominal value, and with a unitary minimum value of Euro 1,000 (thousand), for a total of Euro 165 million. The Bond interest rate is 2.625% annually, with interest paid on a deferred basis on April 30 and October 31 of each year, from October 31, 2018. The Bonds shall be settled at the nominal value on April 30, 2024 where not previously settled or cancelled.

The Bond issue terms and conditions stipulate incurrence-type covenants regarding the debt level; specifically, the bond financial covenants require the maintenance of a stated net financial position/EBITDA ratio, measured annually and next measured on the December 31, 2021 figures.

Maire Tecnimont is currently not aware of any default situations of the above-mentioned covenants, which have been complied with to date.

"Other non-current financial liabilities" include other financial payables:

- Other financial payables due beyond 12 months for Euro 14,900 thousand concern the valuation of the repurchase obligation of the minority share of Simest S.p.A. in Met Dev 1 S.r.l, a Maire Tecnimont Group company which incorporated together with PJSC KuibyshevAzot (a Russian chemical sector leader) the Volgafert LLC joint venture. Volgafert LLC's corporate scope concerns the development, construction, funding, maintenance and management of a new urea plant in Togliatti, in the Samara region of the Russian Federation. As part of the investment agreement signed between Met Development S.p.A. and Simest S.p.A., the Maire Tecnimont Group commits to repurchase on maturity the investment of Simest S.p.A. against a charge for the payment extension granted. The agreements stipulates also put and call options among the parties.

- Oher financial payables beyond 12 months, amounting to a residual Euro 93 thousand, mainly refer to payables to public bodies for subsidized loans for research projects, while Euro 223 thousand concerns a financial liability to a commercial partner for a development project currently under way.

Warrants, in the amount of Euro 617 thousand, represent the carrying value of financial instruments issued and subscribed to for consideration and with the use of own capital by each Beneficiary as part of the 2020-2024 Long-Term Investment Plan in support of the Group's Green Acceleration project, based on financial instruments of the subsidiary NextChem S.p.A.

Taking into account the difficulties in interpreting IAS 32, the fixed-for-fixed test was not passed due to the presence of the Exercise Ratio mechanism calculated according to the formula that provides for the subscription of a number of shares that varies according to the EBITDA and Equity Value parameters of Nextchem S.p.A. at the date of the financial statements.

Therefore, in accordance with the interpretation given to IAS 32, a non-current liability has been recorded in accordance with IFRS 9 in the balance sheet as at December 31, 2021. The fair value of the warrant was measured using a model based on the estimated value of Nextchem S.p.A. shares and the volatility of the stock market values of shares in a basket of comparables. The fair value has been updated to December 31, 2021 and will be remeasured at each reporting date with a balancing entry in the income statement (financial management).

This liability has not been classified as a financial liability within the net financial position as the Company has no contractual obligation to deliver cash to the holder of the Warrants; - no interest of any kind accrues on this liability; - this liability arises from an instrument that will provide the Company with a capital increase upon its possible future exercise.

For further information, reference should be made to the section “Accounting Polices - Warrants".

28.26. Financial liabilities - Leasing

(In Euro thousands)	2020	Increases	Decreases	Interest	Payments	Other changes	2021
Financial liabilities - Leasing	135,895	15,115	(662)	5,239	(27,832)	634	128,389
Total	**135,895**	**15,115**	**(662)**	**5,239**	**(27,832)**	**634**	**128,389**
of which:							
Non-current financial liabilities - Leasing	*115,139*						*107,113*
Current financial liabilities - Leasing	*20,756*						*21,276*
Total	***135,895***						***128,389***

The value of current and non-current financial leasing liabilities related to Right-of-Use at December 31, 2021 was Euro 128,389 thousand, of which Euro 21,276 thousand short term and Euro 107,113 thousand beyond 12 months.

The lease liabilities are valued on recognition, discounting all future payments due for leases utilizing the implied lease rate, where this may easily be determined or alternatively utilizing the lessee’s incremental borrowing rate. The lessee’s incremental financing rate is based on the Group’s incremental financing rate, i.e. the rate that the Group would have to pay to borrow the funds needed to purchase an asset of similar value in a similar financial context and with similar terms and conditions.

In 2021, the changes mainly relate to the payment of scheduled installments, interest accrued and new contracts entered into during the year net of early closure of contracts. The other changes mainly refer to the translation effect of amounts in foreign currencies.

The account was recognized following the introduction of the IFRS 16 standard and mainly concerns the financial liabilities related to the usage rights for the office use buildings hosting Group offices and also at various work sites, some key Group assets and also motor vehicles.

The following table analyses the breakdown and maturities of lease liabilities carried as at December 31, 2021 presented according to future cash flows, inclusive of interest:

(In Euro thousands)	2021
Current financial liabilities - Leasing	26,285
Non-current financial liabilities - Leasing	121,217
Total	**147,502**

(In Euro thousands)	Due within 1 year	Due between 1 & 5 years	Due beyond 5 years	Total
Financial liabilities - Leasing	26,285	79,748	41,469	147,502
Total	**26,285**	**79,748**	**41,469**	**147,502**
Of which Capital portion				*128,389*

28.27. Short-term financial payables

(In Euro thousands)	2020	Changes in year	2021
Bank payables	57,891	73,175	131,066
Other lenders	59,009	(54,876)	4,133
Accrued liabilities	1,408	(181)	1,227
Total	**118,308**	**18,118**	**136,426**

Short-term financial payables amounted to Euro 136,426 thousand, increasing Euro 18,118 thousand on December 31, 2020, mainly following the reclassification to short-term of a number of portions of the medium/long-term loan of a nominal Euro 185 million of the subsidiary Tecnimont S.p.A., of a number of portions of the loan of a nominal Euro 365 million, backed by 80% by SACE's "Italy Guarantee", of a loan with Creval and a portion of the "ESG Linked Schuldschein Loan" loan, net of the significant decreases in the overdrawn current account balances and the repayment of both credit lines used for the management of the short-term contractual cash flows and working capital lines to support the short-term working capital requirements of certain projects.

At December 31, 2021, short-term bank payables mainly refer to the current portion of non-current debt:

- for Euro 63,483 thousand the current capital portion of the nominal Euro 185 million loan of the subsidiary Tecnimont S.p.A.;
- for Euro 44,900 thousand the current capital portion of the loan backed by a SACE Italy Guarantee for 80% of the amount with an initial nominal value of Euro 365 million granted to Maire Tecnimont S.p.A.;

- for Euro 7,477 thousand the current capital portion of a tranche of the ESG-linked Schuldschein Loan granted to Maire Tecnimont with an initial nominal value of Euro 62.5 million;
- for Euro 1,040 thousand the current capital portion of a loan from Banca Popolare di Sondrio for a nominal value of Euro 10 million functional to the activities of MyReplast Industries S.r.l and for Euro 166 thousand the current capital portion of a new loan also signed by MyReplast Industries S.r.l. with Banca Popolare di Sondrio for a nominal Euro 1.5 million.

The other short-term bank borrowings mainly refer to:

- for Euro 10,000 thousand the uncommitted line granted to the subsidiary Tecnimont S.p.A.;
- for Euro 3,371 thousand a short-term loan with Creval;
- for Euro 629 thousand current account overdrafts for the utilization of credit lines granted and commercial advances relating to projects in course.

Payables to other short-term lenders amount to Euro 4,133 thousand, down by 54,876 thousand following the repayment of working capital lines to support the short-term requirements as part of the management of the working capital on some projects; the residual balance is mainly related to receivables factoring transactions as part of the management of the working capital on some projects.

Interest due on loans and bonds and bank overdrafts matured and not yet paid amount to Euro 1,227 thousand.

The composition of the net financial position is reported in the paragraph “Group balance sheet and financial position” in the Directors’ Report, to which reference should be made for further information on the changes compared to the previous period.

The following table reports the Group’s net financial debt at December 31, 2021 and December 31, 2020, in line with Consob communication No. 5/21 of April 29, 2021:

NET FINANCIAL DEBT MAIRE TECNIMONT GROUP			
	In Euro thousands	**31.12.2021**	**31.12.2020**
A.	Cash	(677,100)	(705,327)
B.	Other liquidity	-	-
C.	Other current financial assets	(6,522)	(9,417)
D.	**Liquidity (A+B+C)**	**(683,623)**	**(714,744)**
E.	Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	41,105	111,699
F.	Current portion of non-current bank payables	117,066	35,798
G.	**Current financial debt (E+F)**	**158,171**	**147,497**
H.	**Net current financial debt (G-D)**	**(525,452)**	**(567,247)**
I.	Non-current financial debt (excluding current portion and debt instruments)	556,050	682,328
J.	Debt instruments	179,865	198,570
K.	Trade payables and other non-current payables	-	-
L.	**Non-current financial debt (I+J+K)**	**735,915**	**880,898**
M.	**Total Financial Debt (H+L)**	**210,463**	**313,652**

The following table presents the reconciliation between the net financial debt and the net financial position of the Group at December 31, 2021 and December 31, 2020:

RECONCILIATION NFD & NFP			
	In Euro thousands	**31.12.2021**	**31.12.2020**
M.	**Total Financial Debt**	**210,463**	**313,652**
	Other non-current financial assets	(51,084)	(62,096)
	Derivative financial instruments	(14,273)	25,990
	"Project Financing - Non Recourse"	(8,559)	(9,577)
	Other non-current assets - Expected repayments	(16,422)	(15,158)
	Financial payables - Warrants	(617)	-
	Finance lease payables IFRS 16	(128,389)	(135,895)
Adjusted Net Financial Position		**(8,882)**	**116,916**

The adjusted Net Financial Position at December 31, 2021 reports a net cash of Euro 8.9 million, improving Euro 125.8 million on December 31, 2020.

The movement in the financial position in 2021 related to the decrease in the gross debt; in Q1 2021, in fact, the voluntary early repayment option on the Euro 20 million "2017-2023 Bond Loan" subscribed by Amundi Asset Management in April 2017 and with contractual maturity in April 2023 was exercised, while in Q2 2021 two tranches for approx. Euro 30 million of the medium/long-term loan for a nominal Euro 185 million from the subsidiary Tecnimont S.p.A. was settled. In addition, in 2021 current financial payables decreased due to the reduction in the use of credit lines to manage current commercial requirements and the use of working capital lines in support of short-term requirements within the framework of working capital management for several projects.

A further improvement in the financial position also followed the changes in the mark-to-market of derivative instruments, with a benefit of Euro 49.4 million, principally concerning derivative instruments hedging order revenue and cost fluctuations, the prices of some raw materials and to hedge the risk of fluctuations in the Maire Tecnimont share price mainly related to existing employee incentive plans.

Finally, cash and cash equivalents, which at December 31, 2021 amount to Euro 677.1 million, decreased Euro 28.2 million compared to December 31, 2020.

Operating activities generated cash in the year of Euro 196,499 thousand, continuing the improvement from Q2 2020; cash flows from operating activities include also income tax payments, which in 2021 totaled Euro 43,432 thousand.

As previously outlined, net working capital consistently improved over the first 3 quarters of 2021; cash was therefore generated thanks to operating activities on the main projects underway which were restarted and recognitions made for construction work carried out earlier, resulting in higher receipts for the period, the settlement of certain positions, which due to the pandemic had suffered a temporary interruption and finally thanks to the significant acquisition of new projects in 2021, with the collection of the related advances from clients which further benefitted cash flows.

Cash flow from investing activities however absorbed cash totaling Euro 31,016 thousand, mainly due to the net effect of disbursements related to new software and related implementations in connection with initiatives related to the Digital Transformation program undertaken by the Group, and further efforts for the development of new technologies and intellectual property rights (patents and licenses) mainly from Stamicarbon B.V and the Nextchem Group. Disbursements relating to tangible fixed assets mainly refer to projects to expand the industrial activities of the subsidiary MyReplast Industries S.r.l. and purchases of specific equipment for wifi infrastructures and accessory components for both head offices and work sites.

Financial management also in this case absorbed cash totaling Euro 193,710 thousand; as previously indicated, this follows the voluntary early repayment option on the Euro 20 million "2017-2023 Bond Loan" and the repayment of two installments of the medium/long-term loan for a nominal Euro 185 million of the subsidiary Tecnimont S.p.A for approx. Euro 30 million; in 2021 current financial payables also decreased due to the reduction of credit lines to manage current commercial requirements and working capital lines for the management of several projects, interest paid and the repayment of the capital portions of financial leasing payables.

Additional effects were due to the payment of the dividend approved by the Shareholders' Meeting of Euro 38,122 thousand and the purchases of treasury shares for approx. Euro 5.5 million.

The "adjusted net financial position" is also presented, which in Management's view includes the value of the recovery from the events in India on the basis of legal opinions and the insurance companies from leading providers for protection against such events (as outlined in paragraph 28.8), and excluding both financial lease payables - IFRS 16 of Euro 128,401 thousand, which were recognized solely on the basis of applying IFRS 16; the"Non Recourse" financial payables which relate to the MyReplast Industries S.r.l. loan issued by Banca Popolare di Sondrio for the company's Circular Economy operations and the financial payables for Warrants, in relation to which reference should be made to the "Accounting Policies - Warrants" section.

The estimate of the "fair value" of these financial instruments, calculated as indicated in the accounting policies section, at December 31, 2021 substantially approximated their book value. The breakdown by maturity of the gross financial debt is reported in the financial risks section.

28.28. Provisions for charges - within 12 months

(In Euro thousands)	2020	Changes in year	2021
Provisions for charges - within 12 months	6,159	33,499	39,658
Total	**6,159**	**33,499**	**39,658**

The provision for charges with 12 months amounts to Euro 39,658 thousand, an increase of Euro 33,499 thousand compared to December 31, 2020.

The provision for charges within 12 months concerns the estimated costs for remuneration and incentive policies due within 12 months, essentially referring to the flexible benefits plans ("Maire4You"), the participation bonus pertaining to 2021 and the short and medium term MBO plans.

The main increases are related to probable charges connected with personnel policies for the current period, and mainly the MBO short and medium-term monetary incentive plans, which, in view of the ongoing global scenario resulting from the COVID-19 emergency, the Board of Directors had resolved to suspend in order to continue to pursue the long-term interests, business sustainability and market competitiveness of the Group as a whole.

An additional increase is the result of the reclassification within 12 months of employee compensation and incentive policies, primarily for the deferred portions of the MBO plan reported in 2019 previously classified beyond 12 months.

28.29. Tax payables

(In Euro thousands)	2020	Changes in year	2021
Current income tax payables	3,478	3,101	6,579
Other payables	25,133	(12,801)	12,332
Total	**28,611**	**(9,700)**	**18,911**

Tax payables amount to Euro 18,911 thousand, decreasing Euro 9,700 thousand on December 31, 2020, primarily due to the decrease in the amount payable to the Treasury for VAT due from some overseas entities.

At December 31, 2021, tax payables were as follows:

(In Euro thousands)	2020	Changes in year	2021
Current income tax payables - Ires/Irap	1,079	3,869	4,948
Current income taxes payable - Imp. Overseas	2,399	(768)	1,631
VAT payables	16,717	(14,149)	2,568
Substitute taxes payable	6,906	413	7,319
Other payables	1,510	935	2,445
Total	**28,611**	**(9,700)**	**18,911**

"Current income tax payables" includes Euro 2,373 thousand in corporate income taxes (IRES) payable for the Group's tax consolidation in relation to Maire Tecnimont S.p.A., which in the prior year, as described above in the note concerning current tax assets, presented a receivable balance and which, at December 31, 2021, following an increase in the estimated tax expense for 2021, was greater than the advance tax payments made.

The total also includes both corporate income taxes payable by the companies not involved in tax consolidation and IRAP payable by Italian companies for Euro 2,575 thousand, as well as Euro 1,631 thousand for taxes payable by foreign companies, mainly related to TPI, Stamicarbon BV, Tecnimont Arabia Ltd, and TCM-KT JV Azerbaijan LLC.

"Other tax payables" relate to VAT payables of Euro 2,568 thousand, primarily attributable to the subsidiary TCM-KT JV Azerbaijan LLC and Tecnimont Arabia Ltd, and, to a residual extent, to the VAT of several international and Italian entities not participating in Group VAT consolidation.

The other residual tax payables include IRPEF personnel withholding tax payables and withholding taxes on account for third party compensation and other tax payables.

28.30. Financial instruments - Derivatives (Current liabilities)

(in Euro thousands)	2020	Changes in year	2021
Financial instruments - Currency hedging derivatives	18,803	657	19,460
Financial instruments - Raw material hedging derivatives	0	275	275
Financial instruments - Interest rate hedging derivatives	452	(38)	414
Financial instruments - Total Return Equity SWAP (TRES) derivatives	8,103	(7,964)	139
Total	**27,358**	**(7,070)**	**20,288**

Current liabilities derivative financial instruments at December 31, 2021 amount to Euro 20,288 thousand, a decrease of Euro 7,070 thousand compared to December 31, 2020 and concern the fair value measurement of the derivative contracts in force.

The account for Euro 19,460 thousand relates to the measurement of the derivative instruments to hedge against currency risks on the cash flows related to project revenues and costs. The mark-to-market is negative as exchange rates between the subscription date of the derivative instruments and the reporting date saw a revaluation principally of the Dollar and the Ruble against the Euro; the negative mark-to-market will be offset by future operating cash flows of a similar amount. The changes are due to the currency movements principally of the Dollar and the Ruble against the Euro during 2021 as a result of the situation created on the currency markets, which had a positive impact on the valuation of derivative instruments stipulated to hedge job orders net of the new hedges stipulated during 2021 following new order acquisitions.

The account for Euro 275 thousand concerns raw material derivative hedges (principally for copper).

The interest rate derivatives, amounting to Euro 414 thousand, refer to the valuation of the current portion of the Interest Rate Swap (IRS) derivatives to hedge the exposure to the risk of variable interest rates on a portion of the loan signed by Maire Tecnimont S.p.A. for Euro 365 million, 80% of which is backed by SACE's Garanzia Italia (Italy Guarantee).

The account for Euro 139 thousand concerns the negative fair value of the residual portion of a cash-settled Total Return Equity Swap derivative instrument (TRES); to hedge against movements in the Maire Tecnimont share price essentially tied to the personnel incentive plans in place. The residual portions of the instrument as at December 31, 2021 hedged the risk relating to approx. 2.1 million shares. The derivative contract (TRES) was underwritten with a financial intermediary, with no obligation for Maire Tecnimont to acquire the treasury shares, but only the obligation for the settlement between the parties of the differential between the exercise price and the Maire Tecnimont share price on the maturity of the instruments. Contractual maturity is December 31, 2022. For accounting purposes, the TRES cannot be designated as a hedging derivative instrument and is valued, in accordance with IFRS 9 at fair value, with the related changes recorded in the income statement.

The decrease in the cash-settled Total Return Equity Swap (TRES) derivative is due to the favorable Maire Tecnimont share price in 2021 and in particular in the last part of the year with a consequent decrease in the negative mark-to-market of the instrument.

For further information and analysis of the Fair Value Hierarchy, reference should be made to the "FINANCIAL RISKS" section.

28.31. Other current financial liabilities

(in Euro thousands)	2020	Changes in year	2021
Other current financial liabilities	330	0	330
Total	**330**	**0**	**330**

Other current financial liabilities of Euro 330 thousand do not relate to bank debt but rather loans received from consortium companies. Other current financial liabilities specifically relates to the consortium company Cavtomi.

28.32. Client advance payments

(In Euro thousands)	2020	Changes in year	2021
Client advance payments	649,360	218,306	867,666
Total	**649,360**	**218,306**	**867,666**

They concern contractual advances from clients on the signing of construction contracts, usually also covered by the related bond issued to the benefit of the principal. Client advance payments at December 31, 2021, were Euro 867,666 thousand, increasing Euro 218,306 thousand on December 31, 2020, mainly due to the receipt of new contractual advances net of the reabsorption, through invoicing on account, of the advances received in prior years.

In 2021, following the significant order intake, considerable advances were received, mainly in connection with new orders related to the refurbishment of the Port Harcourt Refinery Company Limited (Nigeria) refining complex, the new Saudi Arabian petrochemical contract with Advanced Global Investment Company (AGIC), Repsol within the scope of the expansion of the industrial complex in Sines, Portugal, and a portion of the advances related to the last major order at the end of 2021 related to the three contracts with Abu Dhabi Polymers Company – Borouge 4.

28.33. Contractual Liabilities

(In Euro thousands)	2020	Changes in year	2021
(Works-in-progress)	(17,853,160)	(4,055,624)	(21,908,784)
Advances received on work-in-progress	18,430,546	3,870,809	22,301,355
Total	**577,386**	**(184,815)**	**392,571**

"Contract liabilities" are the net negative amount, by individual order, resulting from the difference between progressive production or the amount of works-in-progress recorded according to the percentage of completion net of losses realized or estimated at the reporting date and invoicing on account relating to the advancement of works.

The decrease in the net value of construction contract liabilities, totaling Euro 184,815 thousand, relates to the advancement of the orders and their contractual terms, against which the value of works carried out in the year was higher than the invoicing on account.

The gross change on works carried out and advances received on work-in-progress is also impacted by the values of the projects closed during the year and transferred to revenues from sales.

The value of construction liabilities includes additional requests on contracts for the quota considered highly probable to be accepted by the client; the variable components were recorded in accordance with the guidelines illustrated in the accounting policies.

28.34. Trade payables

(In Euro thousands)	2020	Changes in year	2021
Suppliers - within 12 months	1,701,436	188,733	1,890,169
Subsidiaries - within 12 months	690	(690)	0
Associates - within 12 months	436	13	449
Parent companies - within 12 months	174	(100)	74
Group companies - within 12 months	3,798	(2,772)	1,026
Total	**1,706,534**	**185,184**	**1,891,718**

Trade payables at December 31, 2021 amount to Euro 1,891,718 thousand, an increase of Euro 185,184 thousand compared to December 31, 2020. The account includes also accruals at period-end for invoices to be received.

Trade payables essentially relate to the general working capital performance of the main orders, including those substantially concluded, which similarly to the contract with the client influences the contractual terms of the goods and services provided by supplier and subcontractors, payment of which is essentially tied also to the final project milestones.

The year 2021 saw the restart of operations at the work sites and of provisioning that had slowed due to the pandemic, as already noted in the increase in business volumes for the year. At the same time, there was an intensive period of payments for equipment and for construction related to the main projects under way, including for services provided previously.

Trade payables to associates were Euro 449 thousand and principally concern Studio Geotecnico Italiano for Euro 242 thousand, MCM Servizi Roma for Euro 95 thousand and TSJ Limited for Euro 112 thousand.

Payables to Parent Companies amount to Euro 74 thousand and concern GLV Capital S.p.A.

Payables to group companies of Euro 1,026 thousand principally concern payables to consortia and infrastructure initiatives, mainly relating to the Metro B1 Consortium for Euro 1,017 thousand.

28.35. Other current liabilities

(In Euro thousands)	2020	Changes in year	2021
Matured by personnel, not yet settled	25,641	3,251	28,892
Payables due to social security institutions	12,799	1,119	13,918
Expropriation payables	1,281	(1,276)	5
Tax payables (overseas states)	13,084	11,018	24,102
Accrued liabilities and deferred income	1,081	(881)	200
Other payables (other creditors)	248,635	102,234	350,869
Total	**302,521**	**115,465**	**417,986**

Other current liabilities at December 31, 2021 amount to Euro 417,986 thousand, increasing Euro 115,465 thousand on December 31, 2020.

The main account regarding "Other payables (other receivables)" includes the accounting treatment of transactions with third parties who in previous periods acquired the right, for a payment of approx. Euro 90 million in early 2021, to the reserves of the "Raddoppio Ferroviario Fiumetorto Cefalù" ("Fiumetorto Cefalù" Double Railway Line) initiative and the additional claims relating to the "Tempa Rossa" initiative. It bears recalling that the sale involves an initial price already paid on a definitive basis, regardless of the course of the negotiations, and a deferred price on the portion in excess of the amount already paid. In view of this deferred amount, the portion deemed highly probable affects the variability of the residual cash flows and therefore did not permit the assets to be fully derecognized as per IAS 32 paragraph 42. The value of the payable shown under "Other payables" and the contractual asset of the same amount shown under "Contractual assets" also include the portion pertaining to third party counterparties for a total of approx. Euro 343.2 million.

The other principal current liability accounts refer to staff remuneration matured and not yet settled, principally payments for vacation and 14th month, and payables to Italian and foreign social security institutions including on contributions not yet matured. The increase is essentially related to a liability for unused holiday time and amounts not yet paid in relation to a general increase in the Group's workforce during the course of 2021.

"Other payables" principally concern the VAT payables of overseas branches.

The remaining other current liabilities concern various payables including deferred income.

Public grants in accordance with Law No. 124/2017

With regards to the rules on the transparency of public grants as per Article 1, paragraphs 125-129 of Law No. 124/2017, as subsequently amended by Article 35 of Decree-Law No. 34/2019 ("Growth Decree"), published in Italy's Official Journal no. 100 of April 30, 2019, the Maire Tecnimont Group analyzed its situation and decided to present in this paragraph the amounts received in 2021 in the form of contributions and grants:

- As part of funded training plans, Euro 357 thousand was received from Fondimpresa and Euro 46 thousand from Fondirigenti;
- Public grants were received in relation to technological research and innovation projects funded by the Ministry for Economic Development for Euro 127 thousand, the Tecnalia Research Foundation for Euro 28 thousand and from the European Union (ENEA) for Euro 1.2 million;
- Euro 13 thousand in previous subsidized loans received from the Ministry of Economic Development and Euro 11 thousand in previous subsidies received from the Ministry of Education, Universities and Research were repaid;

See the National register of State Aid for the de minimis state aid included for Maire Tecnimont Group companies.

29. Commitments and contingent liabilities

The Maire Tecnimont Group's financial guarantees at December 31, 2021 and December 31, 2020 were as follows:

MAIRE TECNIMONT GROUP FINANCIAL GUARANTEES *(in Euro thousands)*	31/12/2021	31/12/2020
GUARANTEES ISSUED IN THE INTEREST OF THE GROUP		
Sureties issued by third parties in favor of third parties, of which:		
Issued in favor of clients for orders under execution		
Performance bonds (banks and insurance)	1,859,188	1,549,080
Advance Bonds (banks and insurance)	1,194,379	848,790
Other	228,842	258,856
TOTAL GUARANTEES	3,282,409	2,656,726

"Guarantees issued in the interest of the Group" of Euro 3,282,409 thousand concern guarantees issued by Banks or Insurance companies in the interest of Group operating companies in relation to commitments undertaken upon core operations. The increase is the result of the considerable order intake in 2021 and related issue of new guarantees. Specifically:

- "Performance Bonds": contract "successful execution" guarantee. With this guarantee, the bank undertakes the obligation to repay the client, up to a set amount, in the case of non-compliant execution of the contract by the contractor. In the case of large orders, SACE insurance cover may be requested for these risks in favor of the Bank.
- "Advance Bonds": repayment guarantee, requested for payment of contractual advances. With this guarantee the bank undertakes the obligation to repay the client a set amount, as reimbursement for amounts advanced, in the case of contractual non-compliance by the party requesting the guarantee (the contractor). In the case of large orders, SACE insurance cover may be requested for these risks in favor of the Bank.

Commitments

The Parent Company assumed commitments to clients and/or other beneficiaries to fulfil obligations, contractually undertaken by the company and/or subsidiaries awarded tenders as part of their core operations and therefore in the execution of orders, in the case of non-fulfilment of such and for the reimbursement for any damage from such non-fulfilment.

These commitments, which involve the undertaking of an obligation to complete, guarantee contracts whose total value amounts to Euro 15,632 million (Euro 13,591 million at December 31, 2020), including works already executed and the residual backlog at December 31, 2021.

The Parent Company also undertook other residual commitments (letters of Patronage) in favor of banks in the interest of some subsidiaries, principally Tecnimont S.p.A..

30. Related party transactions

At December 31, 2021 the company's receivables/payables (including financial) and cost/revenue transactions with related parties for the period are presented in the tables below.

31/12/2021 (in Euro thousands)	Trade Receivables	Trade Payables	Financial Receivables	Financial payables	Costs	Revenues
G.L.V. Capital S.p.A.	1	(75)	0	0	(660)	1
Maire Investments Group	207	(94)	0	0	(199)	73
Luigi Alfieri	0	(34)	0	0	(338)	0
Total	**208**	**(203)**	**0**	**0**	**(1,197)**	**74**

In particular, payable contracts refer to the lease of office buildings from Group companies, the use of the "Maire" trademark and other minor recharges from the parent G.L.V. Capital S.p.A. and from transactions with the Maire Investments Group, a company owned by the majority shareholder of Maire Tecnimont S.p.A. mainly for the purchase of administrative and other general services.

The relationship with Luigi Alfieri, Non Independent Director of Maire Tecnimont S.p.A., refers to an annual contract for assistance and consulting services in the financial field.

The Maire Tecnimont Group's contracts with clients involve facility management services and other services connected to the execution of civil works.

Transactions with other non-consolidated and/or associated Group companies, or subsidiaries over which another related party exercises a significant influence (Nextchem S.p.A. and its subsidiaries) are purely commercial and relate to specific activities linked to contracts; in addition, certain consortiums, having substantially concluded operations, are in liquidation:

31/12/2021 (in Euro thousands)	Trade Receivables	Trade Payables	Financial Receivables	Financial payables	Costs	Revenues
MCM servizi Roma S.c.a.r.l. in liquidation	0	(93)	0	0	0	0
Studio Geotecnico Italiano S.r.l.	0	(242)	0	0	(85)	0
Villaggio Olimpico MOI S.c.a.r.l. in liquidation	0	0	24	0	0	0
Biolevano S.r.l.	0	0	0	0	0	4
TCM KTR LLP	73	0	650	0	0	20
Exportadora de Ingenieria y Servicios Tcm Spa	0	0	0	(67)	0	0
Volgafert LLC	7,308	0	0	0	0	65,788
JV TSJ Limited	0	110	0	0	0	0
Hidrogeno Cadereyta - S.A.P.I. de C.V.	17	0	978	0	0	34
Tecnimont Iberia	0	0	10	0	0	0
Nextchem S.p.A.	10,359	(1,108)	11,360	0	(122)	8,990
MyRechemical S.r.l.	323	0	0	0	0	323
Mdg Real Estate S.r.l.	0	(139)	0	0	(195)	0
Stamicarbon US	0	(550)	0	(556)	(501)	0
Met T&S Management	0	0	58	0	0	0
GCB General trading	0	0	14	0	0	0
Gulf Compound&Blending Ind.	26	0	12	0	0	0
Maire Tecnimont Foundation	40	0	0	0	(140)	33
Total	**18,147**	**(2,023)**	**13,105**	**(624)**	**(1,044)**	**75,192**

The Maire Tecnimont Foundation is a non-profit organization founded in 2021 by the Group to organize initiatives aimed at promoting culture, research, training and corporate social responsibility, with the purpose of enhancing and improving knowledge of Maire Tecnimont Group's historical identity, technological skills and cultural heritage. At December 31, 2021, the Group had paid contributions amounting to Euro 140 thousand and rendered various services to the Foundation for a total value of approximately Euro 33 thousand.

Remuneration of Directors, Statutory Auditors and Senior Executives is outlined below:

31/12/2021 *(in Euro thousands)*	Remuneration
Directors	7,289
Statutory Auditors	264
Total	**7,553**

The remuneration concerns emoluments and all other payments, pension-related or social security deriving from the role of Director or Statutory Auditor in Maire Tecnimont S.p.A..

The remuneration of Directors and Statutory Auditors and Senior Executives, appears in the 2021 Corporate Governance and Ownership Structure Report and the 2022 Remuneration Report, both available on the company website at www.mairetecnimont.it in the “Governance” section.

31. Independent Audit Firm fees

The following table, prepared pursuant to Article 149 of the Consob Issuer’s Regulation, reports the payments made in 2021 for audit services and other services carried out by the Audit Firm.

Type of service *(in Euro thousands)*	Provider	Company	2021 Fees
Audit	PricewaterhouseCoopers S.p.A.	Parent Company - Maire Tecnimont	233
	PricewaterhouseCoopers S.p.A.	Maire Tecnimont Group	1,707
	Pricewaterhousecoopers Network	Maire Tecnimont Group	522
Certification services (*)	PricewaterhouseCoopers S.p.A.	Parent Company - Maire Tecnimont	4
	PricewaterhouseCoopers S.p.A.	Maire Tecnimont Group	75
Other services **	PricewaterhouseCoopers S.p.A.	Parent Company - Maire Tecnimont	61
	PricewaterhouseCoopers S.p.A.	Maire Tecnimont Group	79
	Pricewaterhousecoopers Network	Parent Company - Maire Tecnimont	400

The fees do not include VAT, expenses and any Consob oversight contribution repayments

(*) Certification services include the signing of tax declarations.

(**) The other services of the Parent Company include the audit fee for the Sustainability Report - containing the Non-Financial Statement as per Legislative Decree 254/2016 and the fee for support with development of the in-country value method and the assignment for the methodological support in technical assistance for National and European Financing Programs.

The other services for the Group include auditing procedures regarding the research and development tax credit and activities to certify the financial plan for a new commercial undertaking.

32. Financial risk management

The Group's ordinary operations are exposed to financial risks. Specifically:

- credit risk, both in relation to normal commercial transactions with clients and financial activities;
- liquidity risk, concerning difficulties in liquidating positions held within necessary timeframes or in sourcing operating funding;
- market risk, relating to fluctuations in interest rates, exchange rates and the prices of goods, as the Group operates at an international level in various currencies and utilizes financial instruments which generate interest;
- default and debt covenant risk regarding the possibility that loan contracts include clauses permitting the lending Banks and other lenders to request immediate repayment on the occurrence of certain events, resulting therefore in a liquidity risk.

The Maire Tecnimont Group constantly controls Group financial risks, anticipating potential negative impacts and undertaking appropriate corrective actions.

The following section provides qualitative and quantitative information on the impact of these risks on the Maire Tecnimont Group. The following quantitative data may not be used for forecasting purposes, in particular the sensitivity analysis on market risks may not reflect the complexity and the related market reactions from any change in assumptions.

32.1. Credit risk

The Maire Tecnimont Group credit risk represents the exposure to potential losses deriving from the non-compliance with obligations by counterparties. Credit risk stems from normal operations and is monitored by the operating and financial departments on the basis of set procedures, which establish the methods for quantifying and controlling client risk.

They are managed according to procedures, including credit recovery and dispute management. Presently, there is no significant concentration of credit risk by region or by Client, as the Group operates on geographically diversified markets and through a range of clients and business lines.

The maximum theoretical exposure to the credit risk for the Group at December 31, 2021 is the carrying value of the financial assets recorded in the accounts, and the nominal value of the guarantees given on debts and commitments to third parties.

Receivables at December 31, 2021 were recognized net of write-downs calculated according to counterparty non-compliance risk, based on client reliability (third parties, related parties and public sector clients).

For IFRS 9, the impairment requirements are based on an expected credit loss (ECL) model utilizing supporting information, available without unreasonable charges or effort, which includes historic, current and projected figures.

Credit risk is represented by the exposure to potential losses deriving from the non-compliance of obligations by buyers, who are almost entirely connected to sovereign states, government bodies, overseas state entities, public administrations or large oil companies. Credit risk is, therefore, essentially linked to country risk.

At December 31, 2021, Trade receivables from third parties due within and beyond 12 months, respectively totaled Euro 479,906 thousand (Euro 631,508 thousand at December 31, 2020) and Euro 93,747 thousand (Euro 84,184 thousand at December 31, 2020), net of the doubtful debt provision of Euro 15,182 thousand (Euro 17,280 thousand at December 31, 2020).

Trade receivables from third parties by maturity and business unit are summarized below:

(In Euro thousands)	Overdue at 31/12/2021					
	Not overdue	From 0 to 90 days	From 91 to 365 days	From 366 to 730 days	Over 730 days	Total
Hydrocarbons	294,874	59,111	27,339	28,859	115,064	525,247
Green Energy	32,654	4,495	3,879	2,987	4,355	48,370
Other	13	0	0	23	0	36
Total trade receivables - third parties	**327,540**	**63,606**	**31,218**	**31,868**	**119,420**	**573,653**
Of which:						
Trade receivables due within 12 months Report note 28.12						***479,906***
Trade receivables beyond 12 months Report note 28.8						***93,747***

For comparative purposes, the prior year amounts are presented below:

(In Euro thousands)	Overdue at 31/12/2020					
	Not overdue	From 0 to 90 days	From 91 to 365 days	From 366 to 730 days	Over 730 days	Total
Hydrocarbons	334,032	88,405	97,099	25,187	111,227	655,950
Green Energy	47,714	4,618	495	2,066	4,829	59,722
Other	0	0	21	0	0	21
Total trade receivables - third parties	**381,746**	**93,023**	**97,615**	**27,253**	**116,056**	**715,693**
Of which:						
Trade receivables due within 12 months Report note 28.12						***631,508***
Trade receivables beyond 12 months Report note 28.8						***84,184***

Trade receivables are recorded net of the doubtful debt provision of Euro 15,182 thousand at December 31, 2021 (Euro 17,280 thousand at December 31, 2020).

(In Euro thousands)	2020	Provisions	Utilizations	Change in consolidation scope	Other movements	2021
Doubtful debt provision - trade receivables	17,280	2,411	(3,861)	0	(648)	15,182
Total	**17,280**	**2,411**	**(3,861)**	**0**	**(648)**	**15,182**

The doubtful debt provision in the year amounted to Euro 2,411 thousand, decreasing on the previous year. The account in the previous year had reported greater provisions as a consequence of a greater amount of receivables and, for some positions, was also affected by a deterioration of counterparty risk as a result of the COVID-19 pandemic, which, particularly in the first part of 2020, had brought about a worldwide landscape of great economic and financial tension and consequent impact on financing activities.

The change in the year is therefore also a consequence of the recovery on the markets, which have positively affected the valuations of the expected losses.

For IFRS 9, the impairment requirements are based on an expected credit loss (ECL) model utilizing supporting information, available without unreasonable charges or effort, which includes historic, current and projected figures.

Overdue trade receivables principally refer to the Green Energy Business Unit and concern Italian public sector entities for Infrastructure and Civil Engineering activities; in relation to the Hydrocarbons BU, they refer to a few positions and are constantly monitored. Neither client categories provide concern from a solvency viewpoint (Italian and foreign state bodies), or for the recoverability of the amounts.

32.2. Liquidity risk

This risk concerns the difficulty in sourcing new funding or access to liquid assets, resulting in the enterprise's failure to satisfy payment commitments, being forced to incur additional funding costs or, in extreme instances, being faced with potential insolvency which may put its going concern at risk.

At the present moment, Maire Tecnimont considers that the good levels of liquidity held and prudent and functional management of the credit lines available are important elements for stability and sufficient to guarantee the resources necessary for operating continuity. The management of liquidity risk is based above all on the strategy of containing debt and maintaining financial equilibrium.

Cash and cash equivalents at December 31, 2021 amounted to Euro 677,100 thousand and compared to December 31, 2020 decreased by Euro 28,227 thousand. However, operating activities in 2021 generated significant cash flow totaling Euro 196,499 thousand and posted a steady improvement from the second quarter of 2020. Liquidity levels ensure short-term financial stability.

The Group also believes that when business recovers - as already seen in part towards the end of 2020 and in 2021 - the effects on production volumes, invoicing and consequently also cash flows will normalize, that within the framework of the pandemic caused a number of clients to defer scheduled payments and also the approval process of works, due to the impossibility to operate normally remotely, also with regards to certain settlement activities under negotiation and finally thanks to the acquisition of major new projects in 2021 with related advances from clients for amounts yet to be collected.

In addition, on December 16, 2021 - The Board of Directors of Maire Tecnimont S.p.A. approved the launch of its first Euro Commercial Paper Program to issue one or more non-convertible notes. The ECP Program, which will be placed with selected institutional investors, will be unrated and have a term of three years. The maximum aggregate amount of Notes issued and not redeemed under the ECP shall not exceed, at any time, Euro 150,000,000. The Notes will not be listed on any regulated market, may be denominated in Euro, USD, GBP, CHF or any other currency and the maturity of individual Notes may not be less than one day or more than 364 days from the date of issuance inclusive, to and excluding the maturity date.

The ECP Program will allow the Company to diversify its short-term financing instruments, obtain a wider choice of funding and optimize its debt management in terms of maturity and pricing profile.

The following table shows the lines of credit available to the Group as of December 31, 2021, broken down by type, distinguishing between amounts granted and used:

Lines of credit granted to and used by the Group as of December 31, 2021			
Description	**Amt. Granted (€)**	**Amt. Used (€)**	**Amt. available**
Overdraft facilities, revolving facilities and lines of credit	277,803,340	10,000,000	267,803,340
Advances on invoices - Factoring	48.500.00	544,309	47,955,691
M/L loans - Bonds	735,995,662	735,995,662	-
Total	**1,062,299,002**	**746,539,971**	**315,759,031**

The following table analyses the breakdown and maturities of financial liabilities according to non-discounted future cash flows:

31.12.2021 *(in Euro thousands)*	Due within 1 year	Due between 1 & 5 years	Due beyond 5 years	TOTAL CASH FLOWS
Financial debt - non-current portion	1,279	471,678	3,358	476,315
Other non-current financial liabilities	4,912	187,276	20	192,208
Short-term debt	151,851			151,851
Other current financial liabilities	332			332
Finance lease Liabilities - current and non-current	26,285	79,748	41,469	147,502
Financial instruments - Current and non-current derivatives	20,288	7,536		27,823
Total financial liabilities	**204,946**	**746,237**	**44,847**	**996,030**

Future interest is estimated on the basis of existing market conditions at the preparation date of the financial statements.

The “beyond 5 years" portion of financial payables refers to a portion of the loan with Banca Popolare di Sondrio for the activities of MyReplast Industries S.r.l..

The portion of leasing financial liabilities “Beyond 5 years” is the value of the financial liability relating to the right-of-use assets recognized, primarily attributable to the properties in which the Group’s offices are located.

For comparative purposes, the prior year amounts are presented below:

31.12.2020 *(in Euro thousands)*	Due within 1 year	Due between 1 & 5 years	Due beyond 5 years	TOTAL CASH FLOWS
Financial debt - non-current portion	13,454	562,783	50,355	626,591
Other non-current financial liabilities	5,592	214,156	16	219,764
Short-term debt	124,068			124,068
Other current financial liabilities	332			332
Finance lease Liabilities - current and non-current	24,884	79,226	52,640	156,750
Financial instruments - Current and non-current derivatives	27,358	12,632		39,990
Total financial liabilities	**195,687**	**868,797**	**103,010**	**1,167,494**

32.3. Market risks

CURRENCY RISK

The Group is exposed to risks deriving from exchange rate fluctuations, which may impact on the result and on the net equity value. In particular, where the companies of the Group incur costs and revenues in currencies which do not offset each other, the variance in the exchange rate may impact on the operating result of these companies.

The principal exchange rates the Group is exposed to are:

- USD/EUR, in relation to US Dollar sales on contracts whose revenues are entirely or principally denominated in USD, as acquired in markets where the Dollar is the benchmark for commercial trading;
- EUR/USD, in relation to purchases of Dollars on contracts whose revenues are entirely or mainly denominated in EUR, although the costs are partly sustained in USD.
- EUR/USD, in relation to purchases of Rubles on contracts whose revenues are entirely or mainly denominated in EUR, although the costs are partly sustained in USD.
- EUR/CNY, in relation to purchases of Renminbi on contracts whose revenues are entirely or mainly denominated in EUR, although the costs are partly sustained in CNY.

Other lesser exposures concerning USD/JPY, USD/MYR and EUR/PLN exchange rates.

In order to reduce currency risk, the Maire Tecnimont Group companies have adopted the following strategies:

- on signing the individual contracts, the part of receipts to cover payments in differing currencies, calculated during the entire duration of the order, are hedged through currency derivatives (cash flow hedging).
- contracts, where possible, are agreed in the payment currency in order to reduce hedging costs.

In the case of loans drawn down by companies of the Group in currencies other than the currency of the individual entities, they assess the need to hedge the currency risk through swap contracts.

The assets and liabilities of companies consolidated in currencies other than the Euro may be translated into Euro at varying exchange rates. In accordance with the accounting principles adopted, the effects of these changes are recorded directly in equity, in the account “Translation reserve”.

RAW MATERIAL PRICE CHANGE RISK

Group results may be impacted by raw material, finished product and insurance cost price changes. This risk is mitigated through a precise and timely procurement policy, the use of derivative contracts, and/or in some cases, by charging the client for increases in the price of supplies, where contractually allowed.

INTEREST RATE RISK

Maire Tecnimont Group interest rate risk essentially concerns its variable medium/long-term loans. Variable rate debt interest rate risk not hedged through derivative instruments is however partly mitigated by liquidity remunerated at rates indexed to the same debt parameter (euribor). Any consequent interest rate fluctuations may create similar effects upon cash flows generated from inventories, although in an opposing manner than those produced on cash flows related to debt positions.

The Group also has Interest Rate Swap (IRS) derivatives to hedge the exposure to the risk of variable interest rates on a portion of the loan signed by Maire Tecnimont S.p.A. for Euro 365 million, 80% of which is backed by SACE’s Garanzia Italia (Italy Guarantee).

MAIRE TECNIMONT SHARE PRICE CHANGE RISK

The company utilizes derivative instruments to hedge against movements in the Maire Tecnimont share price, in view of the implementation of a buy-back program to satisfy the "Equity Settled" employee plans, as the Group has assigned its capital instruments as additional remuneration for services received (employment). Maire Tecnimont S.p.A therefore subscribed cash-settled Total Return Equity Swap (TRES) derivative instruments, undertaken to hedge against movements in the Maire Tecnimont share price. For accounting purposes, the TRES derivative instruments cannot be designated as a hedging derivative instrument and are valued, in accordance with IFRS 9 at fair value, with the related changes recorded in the income statement.

SENSITIVITY ANALYSIS

The potential fair value loss (see table below) of currency risk derivatives (currency forwards, currency swaps and currency options) and derivatives on raw material price changes (commodity forwards), on interest rates (Interest rate swap) and on changes in TRES contracts held by the Group at December 31, 2021, following a hypothetical unfavorable and immediate change of 10% in the exchange and interest rates and the price of raw materials and shares of Maire Tecnimont, would result in a reduction in shareholders' equity of approx. Euro 34,192 thousand, net of the tax effect.

Financial instrument (In Euro thousands)	Book value at 31/12/2021	Income statement impact	Shareholders' equity impact	Income statement impact	Shareholders' equity impact
Net Financial Assets/Liabilities		+10%		-10%	
Currency Option (*)	30,376		(79,799)		86,484
Currency Forward (*)	(17,604)	(885)	31,066	139	(39,990)
Interest Rate Swap (*)	134		(14)		14
Commodity (*)	1,367		3,157		(3,157)
Tres (*)	1,083	1,484		(1,484)	
Impact on financial assets/liabilities before tax effect		599	(45,589)	(1,346)	43,351
Tax rate		24.00%	24.00%	24.00%	24.00%
Impact on financial assets/liabilities, net of tax effect		455	(34,648)	(1,023)	32,947
Total increase (decrease)			(34,192)		31,924

(*) "Level 2" of Fair-Value

Receivables, payables and future cash flows are not considered where hedging operations have been undertaken. It is considered reasonable that currency movements may produce an opposing impact, of an equal amount, on the hedged underlying transactions.

32.4. Interest rate risk

The Maire Tecnimont Group is exposed to interest rate risk in relation to debt service costs.

Net Debt (In Euro thousands)	Total	Hedged portion	Non-hedged portion
Short-term debt	136,756	0	136,756
Medium/long-term debt	628,803	150,000	478,803
Total debt (*)	**765,558**	**150,000**	**615,558**
Total cash and cash equivalents	(677,100)	0	(677,100)

(*) The account does not include the IFRS 16 - Leasing financial liability

The risk on the variable rate debt is presently essentially mitigated by the fact that Group cash deposits are remunerated at interest rates indexed to the same debt parameter (Euribor).

The Group also has Interest Rate Swap (IRS) derivatives to hedge the exposure to the risk of variable interest rates on a portion of the loan signed by Maire Tecnimont S.p.A. for Euro 365 million, 80% of which is backed by SACE's Garanzia Italia (Italy Guarantee).

32.5. Default and debt covenant risk

This concerns the possibility that loan contracts include clauses permitting the lending Banks and other lenders to request immediate repayment on the occurrence of certain events, resulting therefore in a liquidity risk.

In 2018, the subsidiary Tecnimont S.p.A. agreed a medium/long-term cash loan for a total amount of Euro 285 million. The operation stipulated the issue of a new medium/long-term cash credit line for Euro 185 million and the increase of the "Revolving Facility" credit line issued in favor of Tecnimont from Euro 50 million to Euro 100 million. The Loan Agreement made it possible to further reduce the applicable margin of the Group's medium to long-term bank debt from 1.95% to 1.70%, extending the repayment period from March 2022 to June 30, 2023, and remodeling the repayment plan. The Loan Agreement thus has a duration of 5 years, with repayment beginning in June 2020 and the last instalment due on June 30, 2023. During 2021, repayments were made for a total principal amount of Euro 30 million.

The loan includes covenants in line with normal business practice for such operations; specifically, the loan's financial covenants concern the ratio between the net financial position and net equity, as well as between the net financial position and EBITDA on a half-yearly basis, with next measurement on the FY 2021 figures.

In 2019, Maire Tecnimont made a further commitment to its Green Acceleration project, launched in 2018, by taking out a "ESG Linked Schuldschein Loan" to support Group investments in green technologies. The instrument is divided in two tranches with an average duration of approximately 5 years, total repayment at maturity, and an average rate of approximately 2.3%. The cost of the instrument may also vary – including downwards – in relation to the achievement of the Group's CO2 emission reduction targets.

The bonds are supported by covenants in line with market practice; specifically, the bond covenants regard the maintenance of a ratio between the net financial position and EBITDA on a yearly basis, with the next measurement based on the figures on the FY 2021 figures.

On May 3, 2018, Maire Tecnimont issued 165,000 Non-Convertible Bonds at a price equal to 100% of the nominal value, and with a unitary minimum value of Euro 1,000 (thousand), for a total of Euro 165 million. The Bond interest rate is 2.625% annually, with interest paid on a deferred basis on April 30 and October 31 of each year, from October 31, 2018. The Bonds shall be settled at the nominal value on April 30, 2024 where not previously settled or cancelled.

The Bond issue terms and conditions stipulate incurrence-type covenants regarding the debt level; specifically, the bond financial covenants require the maintenance of a stated net financial position/EBITDA ratio, measured annually and next measurement based on FY 2021 figures.

On July 8, 2020, Maire Tecnimont S.p.A. signed a loan agreement for Euro 365 million, 80% of which was backed by SACE's “Garanzia Italia” (Italy Guarantee), and disbursed by a syndicate of leading Italian financial institutions comprising Banco BPM, Cassa Depositi e Prestiti, Intesa Sanpaolo and Unicredit. The loan will mainly support the working capital needs of the parent company Maire Tecnimont and its main operating companies in Italy, in line with the provisions of the Liquidity Decree of April 9, 2020 and will have a total duration of 6 years, of which 2 years grace period and a rate of 1.7% per annum, plus the cost of SACE's Italy Guarantee. The financing, with extremely flexible features, as it can be repaid in whole or in part at any time without additional cost, will contribute to strengthening the group's financial structure to cope with the volatility of the markets caused by Covid 19.

The loan includes covenants in line with normal business practice for such operations; specifically, the loan’s financial covenants concern the ratio between the net financial position and net equity, as well as between the net financial position and EBITDA on a half-yearly basis, with next measurement based on the FY 2021 figures.

Maire Tecnimont is currently not aware of any default situations regarding the above-mentioned covenants. The bond covenants, which regard the maintenance of a ratio between the net financial position and net equity, as well as between the net financial position and EBITDA to be next measured based on FY 2021 figures, have been complied with according to the results currently available.

32.6. Risks concerning the Group capacity to obtain and retain guaranteed credit lines and bank guarantees

In the course of operations and, in particular, for participation in tenders, the signing of contracts with operators or receiving advances and payments from such during order execution, the Group is required to issue bank and/or insurance guarantees in favor of operators.

The Group’s capacity to obtain such guarantees from banks and/or insurance companies depends on an assessment of the Group’s financial statements and, in particular, of the Group company involved, from analysis of the order risk, experience and the Group companies competitive positioning within its sector.

A constant stream of information is sent to the national and international banks and insurance companies with which the Group operates and which are involved in supporting the Group with the granting of the aforementioned banking and/or insurance guarantees in connection with projects for which bidding is in progress. In addition to the existing lines of credit, normally financial counterparties are selected and grant dedicated lines of credit after the Group company is awarded the contract.

At the present moment, Maire Tecnimont is satisfied with the level of credit lines available, which are considered sufficient to guarantee the resources necessary for operating continuity.

32.7. Forward operations and derivatives instruments

In presenting hedges, the IFRS 9 requirements are verified for application of hedge accounting. Specifically:

- hedges under IFRS 9: these are broken down between cash flow hedges and fair value hedges. For cash flow hedges (which are currently the only category present), the matured result, where realized, is included in EBITDA with regards to currency and commodity hedges, in the financial management result for interest rate swaps, while the fair value change is recognized to shareholders' equity for the effective portion and to the income statement for the ineffective portion.
- not considered hedges under IFRS 9: the result and the fair value change are recognized to the financial statements under EBITDA in financial income and expenses.

Derivative instruments at December 31, 2021

The table below shows the outstanding amounts of derivatives in place at the reporting date, analyzed by maturity:

(Euro thousands)	Book value at 31/12/2021	Notional			
	MTM	Projected cash flows	Within 1 year	Between 2 and 5 years	Over 5 years
Currency Option (*)	30,376	860,682	484,306	376,376	
Currency Forward (*)	(17,604)	357,762	301,964	55,798	
Interest Rate Swap (*)	134	150,000	18,750	131,250	
Commodity (*)	1,367	30,085	30,085		
Tres (*)	1,083	13,752	13,752		

(*) "Level 2" of Fair-Value

The Group has the following forward currency contracts:

Description	Currency	Notional in foreign currency	Notional in Euro	Fair value at 31.12.2021
Forward purchases CNY against EUR sales	CNY	190,500,000	24,086,226	1,487,044
Forward purchases JPY against EUR sales	JPY	1,300,000,000	10,020,014	(79,839)
Forward sales JPY against EUR purchases	JPY	130,000,000	1,008,143	12,652
Forward purchases RUB against EUR sales	RUB	62,895,519,620	644,121,879	29,226,414
Forward sales RUB against EUR sales	RUB	848,400,000	10,000,000	142,395
Forward purchases USD against EUR sales	USD	166,569,500	139,830,440	6,234,288
Forward sales USD against EUR sales	USD	396,804,000	330,375,927	(17,786,440)
Forward purchases PLN against EUR sales	PLN	129,000,000	27,618,193	(335,639)
Forward sales of PLN against purchase of EUR	PLN	15,500,000	3,335,153	(30,035)
Forward purchases of TRY against sale of EUR	TRY	149,000,000	13,542,235	(6,055,287)
Forward purchases of DZD against sale of EUR	DZD	2,350,000,000	14,506,182	(43,387)
Total commitments			**1,218,444,392**	**12,772,166**

The Group has the following forward interest rate contracts:

Description	IRS	Interest Rate	Notional in Euro	Fair value at 31.12.2021
Interest Rate Swap 1	IRS 1	-0.23%	60,576,923	55,881
Interest Rate Swap 2	IRS 2	-0.23%	60,576,923	52,536
Interest Rate Swap 3	IRS 3	-0.23%	28,846,154	25,149
Total commitments			**150,000,000**	**133,565**

The Group has the following forward contracts on raw materials:

Description	Commodity	Tons/Ounces	Notional in Euro	Fair value at 31.12.2021
Forward purchases	Copper	3,072	24,752,158	1,547,065
Forward purchases	Rhodium	410	5,332,912	(179,688)
Total commitments			**30,085,070**	**1,367,376**

The Group has the following Total Return Equity Swap (TRES) contracts on the share price:

Description	Shares	Pieces	Notional in Euro	Fair value at 31.12.2021
TRES 3	Maire Tecnimont	2,067,800	8,687,345	(138,618)
TRES 4	Maire Tecnimont	1,500,000	5,064,750	1,221,954
Total commitments		**3,567,800**	**13,752,095**	**1,083,336**

Currency derivatives

The Group utilizes currency derivatives to offset any future order receipt and/or payment cash flow fluctuations from unfavorable currency movements. At December 31, 2021, derivative financial instruments concerned forward operations and, particularly, currency hedges related to Maire Tecnimont Group foreign currency orders.

Currency derivatives are undertaken with leading Italian and overseas banks in order to hedge operations and also for accounting purposes. These instruments qualify as hedging instruments. The changes in the fair value of the derivative instruments designated, and which are efficient, to hedge future cash flows relating to the Group contractual commitments are directly recorded under Shareholders' Equity, while the non-efficient portion are immediately recorded in the Income Statement.

The amounts recorded directly under Shareholders' Equity are included in the Income Statement in the same period that the cash flow hedged is included.

32.8. Classification of the financial instruments

IFRS 7 requires that the classification of financial instruments valued at fair value is determined based on the quality of the input sources used in the valuation of the fair value. The IFRS 7 classification implies the following hierarchy:

- Level 1: fair value calculation according to active market prices. Group instruments do not fall within this category;
- Level 2: fair value measurement according to market prices or similar assets or through measurement techniques for which all significant factors are directly or indirectly based on observable market data. Group instruments fall within this category.
- Level 3: fair value measurement according to valuation models whose input is not based on observable market data ("unobservable inputs"). Some instruments whose value is based on models with inputs not directly based on observable market data are currently in place, particularly in relation to the valuation of minority holdings.

For all derivative instruments used by the Group, the fair value is calculated according to measurement techniques based on observable market parameters ("Level 2"); during, no transfers were made between Level 1 and Level 2 and vice versa.

As required, we report the type of financial instruments present in the financial statements, with indication of the accounting policies applied. The book value of financial assets and liabilities substantially coincide with their fair value.

31.12.2021 *(in Euro thousands)*	Loans and Receivables - Amortized Cost	Derivative Instruments - Fair value (*)	Derivative Instruments - Hedge Accounting - Fair Value (*)	Capital instruments - Fair Value OCI (**)	Capital instruments - Fair Value to PL(**)	Total
Other non-current financial assets	45,658	-		12,920	-	58,578
Other non-current assets	129,833	-	-	-	-	129,833
Trade receivables	491,560	-	-	-	-	491,560
Financial instruments - Current and non-current derivatives	-	1,222	41,958	-	-	43,180
Other current financial assets	4,521	-	-	-	779	5,300
Other current assets	234,915	-	-	-	-	234,915
Cash and cash equivalents	677,100	-	-	-	-	677,100
Total Financial Assets	**1,583,586**	**1,222**	**41,958**	**12,920**	**779**	**1,640,466**

(*) *"Level 2" of the Fair-Value*

(**) *"Level 3" of Fair-Value*

31.12.2020 *(in Euro thousands)*	Loans and Receivables - Amortized Cost	Derivative Instruments - Fair value (*)	Derivative Instruments - Hedge Accounting - Fair Value (*)	Capital instruments - Fair Value OCI (**)	Capital instruments - Fair Value to PL(**)	Total
Other non-current financial assets	57,037	-		9,867	-	66,904
Other non-current assets	112,325	-	-	-	-	112,325
Trade receivables	649,187	-	-	-	-	649,187
Financial instruments - Current and non-current derivatives	-	-	5,897	-	-	5,897
Other current financial assets	8,927	-	-	-	490	9,417
Other current assets	256,204	-	-	-	-	256,204
Cash	705,327	-	-	-	-	705,327
Total Financial Assets	**1,789,007**	**-**	**5,897**	**9,867**	**490**	**1,805,261**

(*) *"Level 2" of the Fair-Value*

(**) *"Level 3" of Fair-Value*

31.12.2021 (in Euro thousands)	Financial Liabilities - Amortized Cost	Financial liabilities - Fair Value (**)	Derivative Instruments - Fair value (*)	Derivative Instruments - Hedge Accounting - Fair Value (*)	Total
Financial debt - non-current portion	448,937				448,937
Other non-current financial liabilities	179,248	617			179,865
Other non-current liabilities	74,844				74,844
Short-term debt	136,426				136,426
Other current financial liabilities	330				330
Finance lease Liabilities - current and non-current	128,389				128,389
Financial instruments - Current and non-current derivatives			139	27,685	27,823
Trade payables	1,891,718				1,891,718
Other Current Liabilities	417,986				417,986
Total Financial Liabilities	**3,277,879**		**139**	**27,685**	**3,306,319**

(*) *"Level 2" of the Fair-Value*

(**) *"Level 3" of Fair-Value*

31.12.2020 (in Euro thousands)	Financial Liabilities - Amortized Cost	Derivative Instruments - Fair value (*)	Derivative Instruments - Hedge Accounting - Fair Value (*)	Total
Financial debt - non-current portion	567,189			567,189
Other non-current financial liabilities	198,570			198,570
Short-term debt	118,308			118,308
Other current financial liabilities	330			330
Finance lease Liabilities - current and non-current	135,895			135,895
Financial instruments - Current and non-current derivatives		8,103	31,887	39,990
Trade payables	1,706,534			1,706,534
Other Current Liabilities	302,521			302,521
Total Financial Liabilities	**3,029,347**	**8,103**	**31,887**	**3,069,337**

(*) *"Level 2" of the Fair-Value*

33. Positions or transactions arising from exceptional and/or unusual operations

In accordance with Consob Communication of July 28, 2006 No. DEM/6064293, the Group did not undertake any atypical and/or unusual operations, as defined in the communication.

34. Significant non-recurring events and operations

In 2021, the Group did not execute any significant non-recurring operations in accordance with Consob Communication No. DEM/6064293 of July 28, 2006.

35. Subsequent events after December 31, 2021

For significant events following year-end, reference should be made to the accompanying Directors' Report.

36. Statement on the consolidated financial statements as per Article 154-bis, paragraph 5 of Legislative Decree No. 58/98 and subsequent amendments and supplements

1. The undersigned Pierroberto Folgiero, as "Chief Executive Officer" and Dario Michelangeli as "Executive for Financial Reporting" of MAIRE TECNIMONT S.p.A. declare, and also in consideration of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:
    - the adequacy considering the company's characteristics and
    - the effective application of the administrative and accounting procedures for the compilation of the consolidated financial statements for 2021.
2. In addition, we declare that the consolidated financial statements:
    - are drawn up in conformity with the applicable international accounting standards recognized by the European Union in accordance with Regulation (CE) No. 1606/2002 of the European Parliament and the Commission of July 19, 2002;
    - correspond to the underlying accounting documents and records;
    - are drawn up as per Article 154-*ter* of the above-stated Legislative Decree No. 58/98 and subsequent amendments and supplements and provide a true and fair view of the balance sheet, income statement and financial position of the issuer and the companies included in the consolidation.
3. The Directors' Report includes a reliable analysis on the performance and operating result as well as the situation of the issuer and of the companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

This statement is provided also in accordance with Article 154-*bis*, paragraph 2 of Legislative Decree No. 58 of February 24, 1998.

Milan, February 25, 2022

The Chief Executive Officer	The Executive Officer for Financial Reporting
Pierroberto Folgiero	**Dario Michelangeli**

Financial Statements and Explanatory Notes

at December 31, 2021

37. Financial Statements

37.1. Income Statement

(in Euro)	*Note*	2021	2020
Revenues	*41.1*	109,288,473	33,127,676
Other operating revenues	*41.2*	7,270,129	3,415,003
Total Revenues		**116,558,602**	**36,542,679**
Raw materials and consumables	*41.3*	(34,083)	(46,386)
Service costs	*41.4*	(19,454,497)	(21,550,560)
Personnel expenses	*41.5*	(29,210,790)	(21,023,721)
Other operating costs	*41.6*	(972,196)	(3,142,605)
Total Costs		**(49,671,566)**	**(45,763,272)**
EBITDA		**66,887,036**	**(9,220,593)**
Amortization, depreciation and write-downs	*41.7*	(901,478)	(1,003,406)
EBIT		**65,985,558**	**(10,223,999)**
Financial income	*41.8*	28,734,103	11,233,660
Financial expenses	*41.9*	(22,655,836)	(22,343,087)
Investment income/(expense)	*41.10*	0	0
Income/(loss) before taxes		**72,063,825**	**(21,333,427)**
Income taxes, current and deferred	*41.11*	1,677,139	8,131,888
Net income/(loss) for the year		**73,740,964**	**(13,201,539)**
Basic earnings/(loss) per share	**41.12**	**0.225**	**(0.040)**
Diluted earnings/(loss) per share	**41.12**	**0.225**	**(0.040)**

The transactions with related parties, pursuant to Consob Resolution No. 15519 of July 27, 2006, are illustrated in the separate disclosure "Related Party Transactions", while in the tables no separate indication was provided as not considered significant.

37.2. Comprehensive Income Statement

(in Euro)	*Note*	2021	2020
Net income(loss) for the year		**73,740,964**	**(13,201,539)**
Other comprehensive income/(expense) which may not be subsequently reclassified to income/(loss) for the year:			
Actuarial gains/(losses)	*42.14*	3,286	(21,523)
Relative tax effect	*42.14*	(789)	5,166
Total other comprehensive income/(expense) which may not be subsequently reclassified to income/(loss) for the year:		**2,497**	**(16,357)**
Other comprehensive income/(expense) which may be subsequently reclassified to income/(loss) for the year:			
Net valuation of derivatives instruments:			
· valuation derivative instruments	*42.14*	1,611,771	(1,478,206)
· relative tax effect	*42.14*	(386,825)	354,769
Total other comprehensive income/(expense) which may be subsequently reclassified to income/(loss) for the year:		**1,224,946**	**(1,123,437)**
Total other comprehensive income/(losses), net of tax effect		**1,227,443**	**(1,139,794)**
Total comprehensive income/(loss) for the year		**74,968,407**	**(14,341,333)**

37.3. Balance Sheet

(in Euro)	*Note*	2021	2020
Assets			
Non-current assets			
Property, plant and equipment	*42.1*	364,442	355,570
Other intangible assets	*42.2*	4,702,480	4,638,905
Right-of-use - Leasing	*42.3*	6,697,940	2,771,370
Investments in subsidiaries	*42.4*	774,021,306	771,231,025
Financial receivables	*42.5*	282,311,005	320,741,779
Financial instruments - Derivatives (Non-current assets)	*42.6*	548,134	0
Other non-current assets	*42.7*	1,625,652	1,100,000
Deferred tax assets	*42.8*	2,153,148	1,110,390
Total non-current assets		**1,072,424,107**	**1,101,949,041**
Current assets			
Trade receivables	*42.9*	41,487,325	27,036,228
Current tax assets	*42.10*	38,394,926	17,324,996
Financial instruments - Derivatives (Current assets)	*42.11*	1,221,954	0
Other current financial assets	*42.12*	182,960,406	141,438,143
Other current assets	*42.13*	1,587,620	1,373,537
Cash and cash equivalents	*42.14*	156,852,234	265,432,302
Total current assets		**422,504,465**	**452,605,205**
Total Assets		**1,494,928,572**	**1,554,554,245**

The transactions with related parties, pursuant to Consob Resolution No. 15519 of July 27, 2006, are illustrated in the separate disclosure “Related Party Transactions”, while in the tables no separate indication was provided as not considered significant.

(in Euro)	*Note*	December 31, 2021	December 31, 2020
Shareholders' Equity			
Share capital	*42.15*	19,920,679	19,920,679
Share premium reserve	*42.15*	272,921,086	272,921,086
Other reserves	*42.15*	110,744,238	118,203,150
Valuation reserve	*42.15*	(1,251)	(1,228,694)
Total shareholders' equity & reserves	**42.15**	**403,584,752**	**409,816,221**
Retained earnings/(accumulated losses)	*42.15*	0	47,456,373
Net income for the year	*42.15*	73,740,964	(13,201,539)
Total Shareholders' Equity		**477,325,716**	**444,071,055**
Non-current liabilities			
Financial debt - non-current portion	*42.16*	375,495,306	427,200,139
Provisions for charges - beyond 12 months	*42.17*	0	2,073,326
Deferred tax liabilities	*42.8*	124,296	656,334
Post-employment & other employee benefits	*42.18*	498,406	524,722
Other non-current liabilities	*42.19*	18,742	0
Financial instruments - Derivatives (Non-current liabilities)	*42.20*	0	1,026,541
Other non-current financial liabilities	*42.21*	164,032,499	183,572,150
Non-current financial liabilities - Leasing	*42.22*	5,916,954	2,138,761
Total non-current liabilities		**546,086,203**	**617,191,972**
Current liabilities			
Short-term debt	*42.23*	53,201,390	969,595
Current financial liabilities - Leasing	*42.22*	710,462	642,762
Provisions for risks and charges - within 12 months	*42.24*	8,108,563	194,345
Tax payables	*42.25*	3,016,379	595,922
Financial instruments - Derivatives (Current liabilities)	*42.25*	553,186	8,554,490
Other current financial liabilities	*42.27*	354,856,169	462,540,072
Trade payables	*42.28*	10,308,048	12,226,470
Other Current Liabilities	*42.29*	40,762,454	7,567,560
Total current liabilities		**471,516,653**	**493,291,218**
Total Shareholders' Equity and Liabilities		**1,494,928,572**	**1,554,554,245**

The transactions with related parties, pursuant to Consob Resolution No. 15519 of July 27, 2006, are illustrated in the separate disclosure "Related Party Transactions", while in the tables no separate indication was provided as not considered significant.

38. Statement of changes in Shareholders' Equity

(in Euro)	Share capital	Share premium reserve	Legal reserve	Other reserves	Valuation reserve	Retained earnings/ accum. losses	Income/ (losses) for year	Shareholders' Equity
December 31, 2019	**19,920,679**	**272,921,086**	**5,328,333**	**107,290,455**	**(88,900)**	**16,728,905**	**30,727,468**	**452,828,026**
Allocation of the result						30,727,468	(30,727,468)	-
Distribution dividends								-
IFRS 2 (Employee share plans)				5,584,362				5,584,362
Comprehensive income/(loss) for the year					(1,139,794)		(13,201,539)	(14,341,333)
December 31, 2020	**19,920,679**	**272,921,086**	**5,328,333**	**112,874,817**	**(1,228,694)**	**47,456,373**	**(13,201,539)**	**444,071,055**

(in Euro)	Share capital	Share premium reserve	Legal reserve	Other reserves	Valuation reserve	Retained earnings/accu m. losses	Income/(losse s) for year	Shareholders' Equity
December 31, 2020	**19,920,679**	**272,921,086**	**5,328,333**	**112,874,817**	**(1,228,694)**	**47,456,373**	**(13,201,539)**	**444,071,055**
Allocation of the result						(13,201,539)	13,201,539	-
Distribution of dividends				(3,867,456)		(34,254,834)		(38,122,290)
IFRS 2 (Employee share plans)				(3,076,537)				(3,076,537)
Utilization Treasury Shares 2021 for staff plans				4,964,438				4,964,438
Acquisition of Treasury Shares 2021				(5,479,357)				(5,479,357)
Comprehensive income/(loss) for the year					1,227,443		73,740,964	74,968,407
December 31, 2021	**19,920,679**	**272,921,086**	**5,328,333**	**105,415,905**	**(1,251)**	**-**	**73,740,964**	**477,325,716**

39. Cash Flow Statement (indirect method)

(in Euro)	December 31, 2021	December 31, 2020
Cash and cash equivalents at beginning of the year (A)	**265,432,302**	**102,463,347**
Operations		
Net Income	**73,740,964**	**(13,201,539)**
Adjustments:		
Amortization of intangible assets	95,664	91,455
Depreciation of non-current tangible assets	154,265	156,342
Amortization of right-of-use - Leasing	651,549	755,609
Provisions	-	-
(Revaluations)/Write-downs of investments	-	-
Financial charges	22,655,836	22,343,087
Financial Income	(28,734,103)	(11,233,660)
Income & deferred tax	(1,677,139)	(8,131,888)
(Gains)/Losses	-	1,372
(Increase) / Decrease in trade receivables	(14,451,098)	1,045,691
Increase/(Decrease) in other liabilities	33,194,894	(26,776,725)
(Increase)/Decrease in other assets	(739,736)	21,767,975
(Increase)/Decrease of deferred tax assets and liabilities	(20,897,260)	7,646,003
Increase/(Decrease) in trade payables	(232,746)	(4,025,739)
Increase / (Decrease) in provisions (incl. post-employ. benefits)	7,915,482	(1,405,895)
Income taxes paid	(18,742)	-
Cash flow from operations (B)	**71,657,832**	**(10,967,910)**
Investments		
(Investment)/Disposal of non-current tangible assets	(8,051)	-
(Investment)/Disposal of intangible assets	-	(9,202)
(Increase)/Decrease in other investments	(3,000,000)	-
Cash flow from investments (C)	**(3,008,051)**	**(9,202)**
Financing		
Repayments of principal of financial lease liabilities	(717,756)	(780,635)
Payment interest on finance lease liabilities	(152,496)	(105,764)
Increase/(Decrease) in current financial payables	(145,358)	(11,745,068)
Undertaking of non-current financial payables	-	365,000,000
Increase securities/bonds	(20,000,000)	-
Change in other financial assets/liabilities	(112,612,592)	(178,422,467)
Dividends	(38,122,290)	-
Treasury shares	(5,479,357)	-
Cash flow from financing (D)	**(177,229,848)**	**173,946,067**
Increase/(Decrease) in cash and cash equivalents (B+C+D)	**(108,580,067)**	**162,968,955**
Cash and cash equivalents at end of year (A+B+C+D)	**156,852,234**	**265,432,302**

The transactions with related parties, pursuant to Consob Resolution No. 15519 of July 27, 2006, are illustrated in the separate disclosure “Related Party Transactions”, while in the tables no separate indication was provided as not considered significant.

40. Explanatory Notes at December 31, 2021

BASIS OF PREPARATION

Introduction

Maire Tecnimont S.p.A. is a company incorporated in Italy at the Rome Companies Registration Office. The company has its registered office in Rome, Viale Castello della Magliana No. 27 and its operating headquarters in Milan, via Gaetano De Castillia, 6A, where the core activities are carried out.

Maire Tecnimont is an investment holding company, heading a Group operating on an international scale, in the field of natural resource transformation, with cutting-edge executive and technological skills. The Group is a leader in plant engineering in the downstream oil&gas, petrochemical, fertilizer and energy sectors. It also offers solutions in the field of green chemistry and energy transition technologies to meet the needs of clients engaged in the decarbonization process.

Maire Tecnimont, pursuant to Article 93 of the Consolidated Finance Act, is controlled by GLV Capital S.p.A. ("GLV Capital"). For further details, reference should be made to the Group's institutional website www.mairetecnimont.com.

According to the provisions of the first paragraph of Article 4 of Legislative Decree 38/2005, the statutory financial statements of Maire Tecnimont S.p.A. (separate financial statements), as listed on an Italian regulated market, have been prepared according to International Financial Reporting Standards (hereafter "IFRS" or international accounting standards) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure at Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and Council of July 19, 2002. The financial statements are prepared under the historical cost convention, modified where applicable for the valuation of certain financial instruments.

The financial statements are presented in Euro which is the Company's functional currency.

Going concern

Based on the results achieved, the Group and the Company consider the going concern principle appropriate for the preparation of the annual report at December 31, 2021. See also paragraph 20, "Subsequent events and outlook", of the Directors' Report.

Financial statements

The financial statements and disclosure reported in these statutory financial statements were prepared as per IAS 1 REVISED, CONSOB communication No. 1559 and CONSOB communication No. 6064293, issued on July 28, 2006.

The Balance Sheet accounts are classified between current and non-current, while the Income Statement and Comprehensive Income Statement are classified by nature of expenses.

The Cash Flow Statement is presented in accordance with the indirect method, adjusting the income for the period with non-cash items.

The Statement of change in Shareholders' Equity reports comprehensive income (charges) for the period and the changes in Shareholders' Equity.

IFRS Accounting Standards, Amendments and Interpretations applied from January 1, 2021

The following amendments and interpretations applied from January 1, 2021 did not have a significant impact on the operating of Company financial statements.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmarking Reform - Phase 2, which take into account the consequences of effectively replacing existing interest rate benchmarks with alternative benchmark rates. These amendments provide for a specific accounting treatment to spread the changes in value of financial instruments or leases over time due to the replacement of the benchmark index for determining interest rates, thus avoiding immediate repercussions on net income (loss) for the year and unnecessary terminations of hedging relationships following the replacement of the benchmark index for determining interest rates.

- Amendments to IFRS 4 insurance contracts - deferral of IFRS 9. The objective of these changes is to allow the qualifying entities to continue postpone application of IFRS 9. Currently, IFRS 4 requires insurance companies to apply IFRS 9 from January 1, 2021. The amendment states that IFRS 9 will go into effect from financial years that begin on or after January 1, 2023, although early adoption is allowed.
- Amendment to IFRS 16 "Leases" - "COVID-19 - Related Rent Concessions beyond June 30, 2021", which sought to extend the practical expedient whereby lessees are permitted to recognize rent concessions, arising from the COVID-19 pandemic, as negative variable rent without having to remeasure lease assets and liabilities, subject to the following requirements: (i) the concessions relate to reductions in only payments due by June 30, 2022; (ii) the total contractual payments, after rent concessions, are equal to or less than the payments originally provided for in the contracts; and (iii) no other material changes have been agreed to with the lessor.

IFRS and IFRIC standards, amendments and interpretations approved by the European Union, not yet mandatory and not adopted in advance by the Company at December 31, 2021

- On May 14, 2020, the IASB issued the document "Annual Improvements to IFRS Standards 2018-2020 Cycle" and published amendments to IAS 16 "Property, plant and equipment", IAS 37 "Provisions, contingent liabilities and contingent assets", and IFRS 3 "Business combinations". Changes in standards are effective on or after January 1, 2022.
- On June 25, 2020, the IASB issued amendments to IFRS 17 "Insurance Contracts" that define the accounting treatment of insurance contracts issued and reinsurance contracts held. The provisions of IFRS 17, which go beyond those currently envisaged by IFRS 4 "Insurance Contracts", are intended to help businesses implement the standard and (i) reduce costs by simplifying the requirements of the standard; (ii) make it easier to make disclosures in the financial statements; (iii) facilitate the transition to the new standard by postponing its entry into force. The amendments are effective from years beginning on, or subsequent to, January 1, 2023.

IFRS accounting standards, amendments and interpretations not yet approved by the European Union at December 31, 2021

At the date of the present Annual Report, the relevant bodies of the European Union have not yet concluded the process necessary for the implementation of the amendments and standards described below:

- On July 15, 2020, the IASB issued an Amendment to IAS 1 "Classification of Liabilities as Current or Non-current - Deferral of Effective Date" whereby, due to the COVID-19 pandemic, the effective date of the amendments was postponed to January 1, 2023.
- On February 12, 2021, the IASB issued Amendments to IAS 1 "Disclosure of Accounting Policies" and Amendment to IAS 8 "Definition of Accounting Estimates." The changes are intended to improve disclosure on accounting policies to provide more useful information to investors and other primary users of financial statements and to help companies distinguish between changes in accounting estimates and changes in accounting policies. The amendments are effective from years beginning on, or subsequent to, January 1, 2023.
- On May 7, 2021, the IASB issued the Amendment to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The amendments require companies to recognize deferred taxes on some transactions that upon initial recognition result in temporary differences that are taxable and deductible in equal value. The amendments are effective from years beginning on, or subsequent to, January 1, 2023.
- On December 9, 2021, the IASB issued the Amendment to IFRS 17 "Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information". The amendment is a transition option related to comparative disclosure on financial assets presented upon first-time application of IFRS 17. The amendment is intended to help entities avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and thus improve the utility of comparative disclosure for users of financial statements. IFRS 17 incorporating the amendment is effective for annual periods beginning on or after January 1, 2023.

The Company is currently assessing the possible impact of the above changes.

ACCOUNTING POLICIES

The main accounting policies adopted in the preparation of the financial statements are illustrated below.

The accounting policies utilised in preparing the 2021 separate financial statements are the same as those adopted in preparing the 2020 separate financial statements, except for the changes resulting from the first-time adoption of the international accounting standard which entered into effect on January 1, 2021, as discussed above in the “Accounting standards applied from January 1, 2021” paragraph.

Business combinations

Business combinations are recorded in accordance with the purchase method. The cost of the business combination is measured as the aggregate of the fair values, at the date of exchange, of assets acquired, liabilities incurred or assumed, and equity instruments issued by the Company, in exchange for control of the company acquired, plus any costs directly attributable to the business combination.

The identifiable assets, liabilities and contingent liabilities of the company acquired that comply with the conditions for recognition under IFRS 3 are recognized at their fair value at the acquisition date, with the exception of non-current assets (or disposal groups) which are classified as held-for-sale in accordance with IFRS 5 and are recognized and measured at fair value, net of sales costs.

Goodwill deriving from acquisition is recognized under assets and initially measured at cost, represented by the excess of the acquisition cost compared to the Group share in the present value of the identifiable assets, liabilities and contingent liabilities recognized. Where, after the measurement of these values, the Group share in the present value of the identifiable assets, liabilities and contingent liabilities exceeds the acquisition cost, the excess is immediately recorded in the Income Statement.

Investments

Investments in subsidiaries, in jointly held subsidiaries and in associates, differing from those held-for-sale, are measured at purchase cost including direct accessory costs. Where there is an indication of a reduction in the value of an asset, its recovery is verified comparing the carrying value with the relative recoverable value, represented by the higher between the fair value, net of selling costs, and the value in use. In the absence of a binding sales agreement, the fair value is estimated on the basis of the values in an active market, from recent transactions or on the basis of the best information available to reflect the amount which the entity could obtain from the sale of the asset. The value in use is generally established, within the limits of the corresponding portion of net equity of the investee from the consolidated financial statements, by discounting the projected cash flows of the asset and, if significant and reasonably calculable, from its disposal, less disposal costs. The cash flow is determined on the basis of reasonable and documented assumptions represented by the best estimates of the expected economic conditions, giving greater significance to the indications obtained from outside sources. Discounting is carried out at a rate which takes account of the implied risk within the company’s operating sector. The risk deriving from any losses exceeding the net equity is recorded in a specific account up to the amount the parent company is committed to comply with legal or implicit obligations in relation to the investee or in any case to cover the losses.

If the reasons for the recognition of the impairment loss no longer exist, the previously recognized impairment loss shall be reversed. The amount of the reversal shall be recognized in the income statement under investment income/expense. Other investments are measured at fair value with recognition of the effects to the income statement if held-for-trading, or to the “Other reserves” net equity account; in this latter case, the reserve is recognized to the income statement on write-down or realization. Where the fair value may not be reliably calculated, the investments are valued at cost, adjusted for impairments; impairments may be not written back.

Investments held-for-sale are measured at the lower of their book value and fair value, less selling costs.

Non-current assets classified as held-for-sale

Non-current assets (and disposal groups) are classified as held-for-sale when their carrying value is expected to be recovered by means of a sales transaction rather than through use in company operations. This condition is met only when the sale is highly likely, the assets (or group of assets) are available for immediate sale in their current condition and, consequently, management is committed to a sale, which should take place within 12 months of the classification as held-for-sale.

Non-current assets (and disposal groups) classified as held-for-sale are measured at the lower of their previous carrying value and market value less selling costs.

Revenue recognition

Revenues are recorded at the fair value of the amount received less returns, discounts and allowances as follows:

- revenue from sales: on the effective transfer of the risks and rewards typically connected with ownership;
- revenue from services: on the provision of the service.

The Company classifies exchange differences deriving from commercial operations under operating results, and in particular in the accounts other operating revenues and other operating costs depending on whether the net effect is a gain or loss, with detailed information provided in the Explanatory Notes.

Dividends received

Dividends are recognized where the shareholder right to receipt arises, normally the year in which the Shareholders' Meeting of the investee is held approving the distribution of profits or reserves.

Property, plant and equipment

Plant and machinery utilized for the production or the provision of goods and services are recorded in the financial statements at historic cost, including any accessory and direct costs necessary for the asset to be available for use.

Plant, machinery & equipment are recognized at cost, net of accumulated depreciation and any write-down for loss in value.

Depreciation is calculated on a straight-line basis on the cost of the assets, according to their estimated useful life, which is reviewed annually at following rates:

Asset Category	Rate
Land	0%
Buildings	from 2% to 10%
Plant & machinery	from 7.5% to 15%
Industrial & commercial equipment	15%
Furniture	12%
EDP	20%
Motor vehicles	from 20% to 25%

Gains and losses deriving from the disposal or sale of assets are determined as the difference between the sales revenue and the net book value of the asset and are recorded in the Income Statement in the year.

Ordinary maintenance costs are fully charged to the income statement.

Improvements on the original value of the assets are capitalized and depreciated based on their residual utilization.

Leasehold improvements which may be recorded as an asset are recognized under property, plant and equipment and depreciated at the lower between the residual duration of the contract and the residual useful life of the asset.

Grants

Capital grants are recognized when there is reasonable certainty that they will be received and that the conditions will be satisfied for their attainment.

Capital grants are recorded as a direct reduction of the asset to which they refer. The value of an asset is adjusted by straight-line depreciation, calculated on the basis of the residual useful life of the asset.

Intangible assets

Intangible assets acquired separately are recorded at cost less amortization and any net loss in value. Amortization is calculated on a straight-line basis over the useful life of the asset. The amortization method and the residual useful life are reviewed at the end of each accounting period. The effects deriving from the change in the amortization method and the residual useful life are recorded prospectively.

Intangible assets generated internally – research and development costs

Research costs are expensed to the income statement in the period in which they are incurred.

Intangible assets generated internally deriving from the development phase of a Company internal project are only recognized under assets when the following conditions are met:

- There is the technical feasibility to complete the intangible asset for its use or sale;
- There is the intention to complete the intangible asset and utilize or sell the asset;
- There is the capacity to utilize or sell the intangible asset;
- It is probable that the asset created will generate future economic benefits;
- There exists the technical, financial and other resources in order to complete the development and utilize or sell the asset during the development phase.

The initial amount recognized of the intangible assets generated internally corresponds to the sum of the expenses incurred at the date in which the asset meets the criteria described above. Where these expenses may not be recorded as intangible assets generated internally, the development expenses are expensed in the Income Statement in the period in which they are incurred.

Subsequent to initial recognition, the intangible assets generated internally are recorded at cost less any accumulated loss in value, as occurs for intangible assets acquired separately.

Intangible assets acquired through a Business Combination

Intangible assets acquired in a business combination are identified and the amortization is recorded where they satisfy the definition of intangible assets and their fair value may be determined reliably. The cost of these intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, the intangible assets acquired in a business combination are recorded at cost less amortization and any accumulated loss in value, as occurs for intangible assets acquired separately.

Right-of-use - Leasing

IFRS 16 establishes a single model for accounting for lease contracts involving the recognition by the lessee of a right-of-use asset and a lease liability representing the obligation to make the payments required under the contract. At the commencement date (the date on which the asset is made available for use), the right of use is initially measured at cost as the sum of the following:

- the initial amount of the lease liability;

- the payments due for the lease made on or before the commencement date, net of any incentives received for the lease;

- the initial direct costs incurred by the lessee;

- the estimated costs that the lessee expects to pay to dismantle and remove the underlying asset and restore the site in which it is located or to restore the underlying asset to the conditions provided for in the terms and conditions indicated in the lease contract.

After initial recognition, the right of use is amortized, tested for impairment and adjusted to reflect any restatement of the lease liability. Amortization is applied on a straight-line basis according to the term of the contract, taking account of renewal/termination options that are highly likely to be exercised. Only if the lease provides for a reasonably certain purchase option is the right-of-use asset amortized systematically over the entire useful life of the underlying asset.

After initial recognition, the right of use is amortized, tested for impairment and adjusted to reflect any restatement of the lease liability. Amortization is applied on a straight-line basis according to the term of the contract, taking account of renewal/termination options that are highly likely to be exercised. Only if the lease provides for a reasonably certain purchase option is the right-of-use asset amortized systematically over the entire useful life of the underlying asset.

Impairment of tangible, intangible and financial assets

At each reporting date, the Company reviews the carrying value of its intangible, tangible and financial assets to determine if there are indications that these assets have incurred a loss in value. Where it is not possible to make an estimate of the recoverable amount of an asset individually, the Company makes an estimate of the recoverable amount of the cash-generating unit the asset belongs to. When it is established that a potential loss exists, an estimate of the recoverable amount is made in order to identify the amount of the loss.

The indefinite intangible assets, such as goodwill and brands, are verified annually and whenever there is an indication of a possible loss in value, in order to determine if there has been a loss in value.

The recoverable value is the higher between fair value less costs to sell and value in use. In determining the value in use, the estimated future cash flows are discounted on a pre-tax basis which reflects the market assessment of the time value of money and the risks specific to the asset. In the determination of this value various cash flow scenarios are utilized (sensitivity analysis).

If the recoverable value of an asset (or a CGU) is considered lower than its carrying value, it is reduced to its recoverable value. A loss in value is recognized in the income statement immediately.

Where, subsequently, the loss in value no longer exists or reduces, the book value of the asset is increased up to the new estimate of the recoverable value and may not exceed the value which would be determined where no loss in value had been recorded. The reversal of a loss in value is immediately recorded in the income statement.

In addition, IFRS 16 requires that lessees test rights of use associated with leased assets for impairment in accordance with IAS 36, similarly to other owned company assets. Accordingly, when there are signs of impairment, it must be determined whether the right of use may be tested on a stand-alone basis or at the level of CGU.

With reference to the recoverability test of the “Right-of-Use”, the Company decided to include the right-of-use net of the related lease liability in the CGU being assessed and determine the value in use considering the outlays for lease rentals using a pre-IFRS 16 discounting rate.

Financial instruments

The classification of the financial instruments as per IFRS 9 is based on the “business model” and on the characteristics of the contractual cash flows of the instruments. The “business model” represents the management model of the financial assets held by the company on the basis of the strategic objectives defined, in order to generate cash flows by collecting the contractual cash flows, selling financial assets or managing both models.

Financial assets and liabilities are recorded in the financial statements when the Company has the contractual obligations of the instrument.

Financial assets

The “business models” utilised by the company are:

- Held To Collect (HTC), managed to collect contractual cash flows: corresponding to the wish to hold the instruments until maturity;

- Held To Collect and Sell (HTC&S), managed to collect contractual cash flows and for sale: corresponding to the wish to meet liquidity needs and minimize liquidity management cost and maintain the risk profile;

- Other – residual category, managed for trading; corresponding to the wish to maximize contractual cash flows through sale.

Receivables

In considering the classification of financial assets, the company’s business model and cash flow characteristics were taken into account. In particular, trade receivables are classified under the category of claims held for collection (Held To Collect), corresponding to the wish to hold the instruments until maturity.

Receivables are initially recognized at fair value and subsequently measured at amortized cost, utilizing the effective interest rate method, net of the relative losses in value with reference to amounts considered non-recoverable, recorded in a specific doubtful debt provision. The original amount is restated whenever the reasons for the adjustment no longer apply. In this case, any reversal of previous provisions are recorded in the income statement and may not exceed the amortized cost of the receivable in the absence of the previous adjustments.

Trade receivables which mature within the normal commercial terms are not discounted. Receivables in currencies other than the operational currency of the individual companies are recorded at the period-end exchange rates.

Other financial assets

Financial assets are recognized at cost, recorded at the trading date, represented by the fair value of the initial amount given in exchange, increased by any transaction costs (for example: commissions, consultancy etc.) directly attributable to the acquisition of the asset. After initial recognition, these assets are measured at amortized cost using the original effective interest method.

Financial assets held for speculative purposes in the short-term are recognized and measured at fair value, with changes recorded in the income statement.

With regards to the valuation of financial assets concerning minority investments, IFRS 9 requires fair value measurement. These investments are measured at fair value with changes to the statement of comprehensive income, although as not listed on an active market, the fair value is therefore estimated, although does not vary from the cost and the relative portion of equity.

Cash and cash equivalents

Cash and cash equivalents include cash balances and bank current accounts and deposits repayable on-demand, plus other highly liquid short term financial investments that can be readily converted into cash and are not subject to a significant risk of a change in value.

Impairment model

The method is based on a predictive approach (expected credit losses model), based on the probability of default and the capacity of recovery in the event of a loss given default.

In the estimate of the impairment of receivables official ratings are utilised where available or internal ratings, to determine the probability of default of the counterparty; the capacity of recovery was also identified in the case of a loss given default of the counterparty based on historical experiences and different possible recovery methods.

Currently, all company receivables are inter-company and in consideration of the net exposure of the company towards these parties, no impairment effects are indicated.

Financial liabilities and Equity instruments

Financial liabilities and equity instruments issued by the Company are classified based on the substance of the contractual agreements that generated them and in accordance with the respective definitions of financial liabilities and equity instruments. These latter are defined as those contracts which give the right to benefit from the residual interest of the assets of the company after the reduction of the liabilities. The accounting policies adopted for specific financial liabilities and Equity instruments are described below.

Payables

Payables are initially recorded at cost, corresponding to the fair value of the liability, net of directly attributable transaction costs.

Subsequent to initial recognition, the payables are measured under the amortized cost method, utilizing the effective interest rate method. This category includes interest bearing bank loans, overdrafts, non-convertible bonds and trade payables.

The trade payables which mature within the normal commercial terms are not discounted. Payables in currencies other than the operational currency of the individual companies are recorded at the period-end exchange rates.

Fair value measurement

Fair value is the amount in which an asset (or a liability) may be exchanged in a transaction between independent counterparties with reasonable knowledge of the market conditions and significant events related to the item under negotiation. The presumption that an entity is fully operational and does not need to liquidate or significantly reduce activities, or undertake operations at unfavorable conditions, is fundamental to the definition of fair value. The fair value reflects the credit quality of the instrument as it incorporates the counterparty risk.

Receivables and Payables

For receivables and payables recorded in the financial statements at cost or amortized cost, the fair value for the purposes of the disclosure to be provided in the Explanatory Notes is determined as follows:

- for short-term receivables and payables, it is considered that the value paid/received reasonably approximates fair value;
- for medium/long-term receivables/payables, the measurement is principally undertaken through the discounting of future cash flows. The discounting of the expected cash flows is normally undertaken through the zero coupon curve increased by the margin represented by the specific credit risk of the counterparty.

Other financial instruments (Debt and equity securities)

The fair value for this category of financial asset is measured taking as reference the listed prices at the reporting date of the financial statements where existing, otherwise with reference to technical valuations utilizing as input exclusively market data.

Other financial instruments (Minority holdings)

The fair value for this category of financial assets is calculated according to valuation models whose input is not based on observable market data ("unobservable inputs").

Financial liabilities - Leasing

Under IFRS 16, the lease liability is initially measured at the present value of the payments due at the commencement date, which include:

- the fixed payments that are reasonably certain to be paid, net of any lease incentives to be received;

- the variable payments due that depend on an index or a rate (variable payments such as rentals based on the use of the leased asset, are not included in the lease liability, but taken to the income statement as operating costs over the term of the lease contract);

- any amounts expected to be paid as security for the residual value granted to the lessor;

- the exercise price of the purchase option, if the lessee is reasonably certain to exercise it;

- the penalty payments for breaking the lease, if the lessee is reasonably certain to exercise this option.

The present value of these payments is calculated by adopting a discount rate equal to the implicit interest rate on the lease or, where this cannot be easily determined, using the lessee's incremental financing rate. The lessee's incremental financing rate is based on the Company's incremental financing rate, i.e. the rate that the Company would have to pay to borrow the funds needed to purchase an asset of similar value in a similar financial context and with similar terms and conditions.

Future cash flows are therefore discounted at the risk free rate of the respective currencies, plus a spread for the specific risk of the Company, established as the difference between the yield on the listed Maire Tecnimont S.p.A. debt securities against an instrument with similar features but without risk.

After initial recognition, the lease liability is measured at amortized cost (i.e., by increasing its carrying amount to take account of the interest on the liability and decreasing it to take account of the payments made) using the effective interest rate and is redetermined, with a balancing entry to the carrying amount of the related right-of-use, to reflect any modifications to the lease following contractual renegotiations, changes in indices or rates or modifications relating to the exercise of contractually established renewal, early termination or leased asset purchase options.

The extension and termination options are included in a series of lease agreements mainly related to Company properties. To determine the duration of the lease agreement, management takes account of all facts and circumstances that can

generate a financial incentive to exercise an option to extend or not exercise an option to terminate.

Extension options (or periods following termination options) are included in the duration of the lease agreement only if it is reasonably certain that the lease agreement will be extended (or not terminated).

The Standard eliminates the classification, for the lessee, of leases as operating or financial, with limited exceptions to the application of the accounting treatment (allocation of lease rentals to the income statement on an accrual basis for leases that qualify as "short-term" or "low-value"). For the financial statements of lessors, however, the separation is maintained between operating and financing leases.

The Company adopts the exemptions allowed by the standard; therefore, leasing costs referring to rental or lease agreements that envisage variable payments, or assets of minimal value (i.e. less than USD 5,000) or with a duration of less than 12 months, are expensed gradually over time as they are incurred.

Equity instruments

Equity instruments issued by the Company are recognized based on the amount received, net of direct issue costs.

Convertible bonds

In accordance with IAS 32 "Financial Instruments: Presentation in the financial statements" convertible bonds are recorded as hybrid financial instruments, formed by two components which are treated separately only if significant: a liability and a conversion option. The liability corresponds to the present value of the future cash flows based on the current interest rate at the issue date for an equivalent non-convertible bond. The value of the option is defined as the difference between the net amount received and the amount of the liability and is recorded under equity. The value of the conversion option in shares does not change in subsequent periods. On the contrary, where the characteristics of the bond result in, on the exercise of the conversion right, the right of the company to deliver shares or offer a combination of shares and cash, the option is recognized as a financial liability for the incorporated host, measured at fair value through P&L, while the difference compared to the original nominal value or rather the financial liability (host) is recorded at amortized cost.

Derivative instruments and hedge accounting

The company utilizes derivative instruments to hedge against fluctuations in the Maire Tecnimont share price, known as Total Return Equity Swaps (TRES), in view of the implementation of a buy-back program. The structure of the contracts in place is in line with the Group "hedging" policy.

For accounting purposes, the TRES derivative instruments cannot be designated as a hedging derivative instrument and are valued, in accordance with IFRS 9 at fair value, with the related changes recorded in the income statement.

The accounting of the hedging instruments differs depending on the objective of the hedge: cash flow hedges or fair value hedges.

Fair value calculation

The fair value of financial instruments is represented by the current market price or, in their absence the application of appropriate financial valuation models which take into consideration all the factors adopted by market operators and the prices obtained in a real market transaction.

In particular, the fair value of the TRES is measured discounting the expected cash flows, calculated on the basis of market interest rate at the reference date and the price of the underlying listed shares.

Cash flow hedge

The changes in the fair value of the derivative instruments which are designated, and which are efficient, to hedge future cash flows relating to the Company contractual commitments are directly recorded under Equity, while the non-efficient portion are immediately recorded in the Income Statement.

The amounts recorded directly under Equity are included in the Income Statement in the same period that the contractual commitment hedged is included in the Income Statement.

Derecognition of financial instruments

Financial assets are eliminated from the balance sheet when the right to receive the cash flows no longer exists and all the related risks and benefits are substantially transferred (so-called derecognition) or where the item is considered definitively non-recoverable after the completion of all the necessary recovery procedures. Financial liabilities are derecognized from the balance sheet when the specific contractual obligations are extinct. Receivables transferred following factoring operations are eliminated from the balance sheet only when the related risks and benefits of ownership have been substantially transferred. With recourse receivables and non-recourse receivables which do not satisfy these requisites remain on the balance sheet of the company, even if legally transferred; in this case a financial liability of a similar amount is recorded under liabilities against advances received.

Shareholders` Equity

Share Capital

The share capital is the amount of the subscribed and paid-in capital of the Company. The costs strictly related to the issue of new shares are classified as a reduction of the share capital when they refer to costs directly attributable to the equity operation.

Treasury Shares

They are recorded as a decrease of the shareholders' equity. The costs incurred for the issue of new shares by the Company are recorded as a reduction in equity, net of any deferred tax effect. The gains or losses for the purchase, sale, issue or cancellation of treasury shares are not recorded in the income statement.

Retained earnings/(accum. losses)

This refers to the results of previous years for the part not distributed or recorded under reserves (in the case of profit) or recapitalized (in the case of losses). The account also includes the transfers from other equity reserves when those reserves are no longer required as well as the effects of the recording of changes to accounting policies and material errors.

Other reserves

These include, among others, the legal reserve and the extraordinary reserve.

Valuation reserve

These include, among others, the actuarial reserve on defined benefit plans recognized directly to equity.

Contractual liabilities deriving from financial guarantees

The contractual liabilities deriving from financial guarantees are initially measured at their fair value and subsequently measured at the higher between:

- the amount of the contractual obligation, determined in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets;
- the initial amount recorded net, where applicable, of the accumulated amount recorded in accordance with the recognition of the revenues as described above.

Provisions for risks and charges

Provisions are recorded in the financial statements when the Company has a present obligation (legal or implied) that is the result of a past event and it is probable that the obligation must be met. Provisions are made based on the best estimate of the cost of fulfilling the obligation at the reporting date, and are discounted when the effect is significant.

When the Company considers a provision for risks and charges must be in part or in full reimbursed, the indemnity is recorded under assets only when the reimbursement is almost certain and the amount of reimbursement may be determined reliably.

Onerous contracts

Where the Company has an onerous contract, the current obligation contained in the contract must be recognized and measured as a provision.

An onerous contract is a contract in which the non-discretional costs necessary to settle the obligations exceed the economic benefits deriving from such.

Personnel incentive plans

The Group recognizes additional benefits to employees through the cash incentive plans. These plans represent a remuneration component of the beneficiaries; therefore, the cost is recognized in the income statement under "Personnel expense" over the period between the granting date and that of maturity and under provisions for risks and charges.

The financial effects of the Plans are estimated and recognized in accordance with IAS 19 by adequately weighing the defined maturity conditions (including the probability of employees remaining in the Group for the duration of the Plan); at the end of each year the estimate is updated and recognized under "Personnel expense". At December 31, 2021, the plans within this category included the MBO incentive system, both in its short-term and deferred long-term component, and the annual attendance bonus.

Guarantees

The provisions for guarantee costs are accrued when it is considered probable that the request to honor the guarantee will be made. The calculation of the provision is made based on the best estimate by Management of the costs required to comply with the obligation.

Post-employment benefits

The payments for defined contribution plans are recognized in the Income Statement of the period in which they are due.

For the defined benefit plans, the cost relating to the benefits recognized is determined using the projected unit credit method, making actuarial valuations at the end of each period. Actuarial gains and losses are recognized in the period they arise and recorded directly in a specific equity reserve. The cost relating to past employment service is immediately recorded when the benefits have already matured.

The liabilities for post-employment benefits recorded in the balance sheet represent the present value of the liabilities for the defined benefit plans adjusted to take into account any actuarial gains or losses not recorded and costs relating to past employment services not recorded, and reduced by the fair value of the asset plan.

Any net assets resulting from this calculation are limited to the value of the actuarial losses not recorded and costs relating to past employment services not recorded, plus the present value of any repayments and reductions in future contributions to the plan.

Other long-term benefits

The accounting treatment of the other long-term benefits is similar to those of the plans for post-employment benefits with the exception of the fact that the actuarial gains and losses and costs deriving from past employment services are recognized in the income statement fully in the year in which they arise.

Share-based payments

The company recognizes additional benefits to employees through equity participation plans. The above-mentioned plans are recognized in accordance with IFRS 2 (Share-based payments). In accordance with IFRS 2, these plans represent a remuneration component of the beneficiaries; therefore, for the equity participation plans, the cost is represented by the fair value of these instruments at the granting date, and recognized in the income statement under "Personnel expense" over the period between the granting date and that of maturity, and in the "IFRS 2 reserve" under equity. Changes subsequent to the granting date in the fair value do not have an effect on the initial value. At the end of each year the estimate is updated on the number of rights which will mature on maturity. The change in the estimate reduces the amount in the "IFRS 2 reserve" and is recorded under "Personnel expense" in the P&L.

Financial income and expenses

Interest is recognized in accordance with the effective interest rate method, utilizing therefore the interest rate which is financially equivalent to all the cash inflows and outflows (including premiums, discounts, commissions etc.) which comprise an operation. The Company classifies in this account the exchange differences deriving from financial operations, while the exchange differences from commercial operations are classified under operating results, and in particular in the accounts other operating revenues and other operating costs, depending on whether the net effect is a gain or loss, with detailed information provided in the Explanatory Notes.

Income taxes

Income taxes for the year represent the sum of current and deferred taxation.

Current income tax

Current income taxes for the year and previous years are recorded for the amount expected to be paid to the fiscal authorities.

Current income tax liabilities are calculated using applicable rates and tax regulations or those substantially approved at the reporting date. Maire Tecnimont S.p.A. and the main subsidiaries resident in Italy have opted for a consolidated tax regime. This means that the IRES (Corporation Tax) charge is calculated on a tax base representing the aggregate of the taxable income and tax losses of the individual companies.

Deferred taxes

Deferred taxes are the taxes that it is expected to pay or recover on the temporary differences between the carrying value of the assets and of the liabilities in the financial statements and the corresponding fiscal value used in the calculation of the assessable income.

Deferred tax liabilities are generally recorded on all temporary assessable differences, while deferred tax assets are recorded based on the probability that the future assessable results will permit the use of the temporary deductible differences.

The carrying value of deferred tax assets is revised at the end of the year and reduced to the extent that it is no longer likely that there will be sufficient taxable income against which to recover all or part of the assets.

Deferred taxes are calculated based on the fiscal rates that are expected to be in force at the moment of the realization of the asset or the settlement of the liability. Deferred taxes are recognized directly in the income statement with the exception of those relating to accounts directly recognized to equity, in which case the deferred taxes are also recognized to equity.

USE OF ESTIMATES

The preparation of the financial statements and the relative notes in application of IFRS require that management make estimates and assumptions on the values of the assets and liabilities in the financial statements and on the disclosures relating to the assets and contingent liabilities at the reporting date. The estimates and assumptions used are based on past experience and other factors considered relevant. The actual results may differ from such estimates. The estimates and assumptions are reviewed periodically and the effects of any changes are recorded in the income statement in the period of the revision of the estimate, if the revision has effect only on that period, or also in subsequent periods if the revision has effect on the current year and on future years. In this context it is reported that the economic and financial situation resulted in the need to make assumptions on a future outlook characterized by significant uncertainty, for which it cannot be excluded that results in the next year will be different from such estimates and which therefore could require adjustment, currently not possible to estimate or forecast, which may even be significant, to the book value of the relative items.

The accounts principally affected by such uncertainty are:

- PROVISIONS FOR RISKS AND CHARGES: The Company is involved in judicial or administrative proceedings for which allocations are made to provisions, mainly connected with legal and fiscal disputes. The process and procedures for assessing the risks related to these proceedings are based on complex factors that require the directors to make assumptions and estimates, particularly with regard to the assessment of uncertainties connected with the predicted outcome of the proceedings taking account of information obtained from the legal affairs unit and from outside legal counsel. These provisions are estimated through a complex process involving subjective assessments by Company Management.

- IMPAIRMENT OF FINANCIAL ASSETS AND RECEIVABLES: The collectability of receivables and the need to recognize impairment for doubtful accounts is done in accordance with the expected credit loss model. This process requires company management to make complex and/or subjective assumptions. The factors considered in making these assumptions concern, in part, the creditworthiness of the counterparty, where available, the amount and timing of expected future payments, any mechanisms put in place to mitigate credit risk, and any steps taken or planned to collect the receivables.

- FAIR VALUE The fair-value measurement of financial and non-financial instruments is a structured process involving complex methods and approaches and requires the gathering of up-to-date information from the markets concerned and/or the use of internal inputs. As for the other estimates, fair-value measurements are, even when based on the best information available and on the appropriate measurement methods and techniques, intrinsically characterized by uncertainty and professional opinion and can lead to estimates that differ from the actual figures once they are known.

- IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT, INTANGIBLES, AND EQUITY INVESTMENTS These assets are written down when changing circumstances or other events give reason to believe that their book value is no longer recoverable. Events that can result in writing down these assets are significant, permanent changes in the outlook for the market segment in which the asset is being used. Decisions to write down an asset, and the measurement process, depend on estimates made by company management concerning complex, highly uncertain factors, such as future trends in the market concerned, the impact of inflation, the conditions of global supply and demand, and trends in operations and in the business generally. The write-down of these assets is measured by comparing the book value with the recoverable value, which is the greater of the asset's fair value less disposal costs and its value in use, which is calculated based on the expected cash flows on the use of the asset less disposal costs. This calculation is done at the level of the smallest cash generating unit (CGU) or equity investment that is amply independent from the cash flows generated by other assets or asset groups and based on which company management measures business profits. The expected cash flows for each CGU or equity investment are determined based on the most recent budget, business plan, and actual financial reports as prepared by management and approved by the Board of Directors. The business plan includes forecasts prepared by management based on information available at the time in terms of business volumes, operating costs, profit margins, and the industrial, commercial and strategic configuration of the specific CGUs or equity investments in the specific marketplace. The present value of these cash flows is then calculated based on discount rates that take account of the specific risk of the business segment to which the CGU or equity investment belongs. The intangible assets with indefinite useful life are not subject to amortization; the recoverability of their carrying amount is verified at least annually and however where events which may suggest an impairment loss arise.

41. Notes to the income statement

41.1. Revenues

Revenues in 2021 amounted to Euro 109,288 thousand, an increase of Euro 76,160 thousand compared to the previous year and broken down as follows:

(In Euro thousands)	2021	2020
Revenues from sales and services	26,207	19,128
Dividends from subsidiaries	83,082	14,000
Total	**109,288**	**33,128**

Revenues from subsidiary dividends amounted to Euro 83,082 thousand and concern those received during the year from the subsidiaries Tecnimont S.p.A. for Euro 50,000 thousand, KT-Kinetics Technology S.p.A. for Euro 15,082 thousand and Stamicarbon B.V. for Euro 18,000 thousand.

Last year, it was not possible to proceed with the distribution by the Italian subsidiaries Tecnimont S.p.A. and KT-Kinetics Technology S.p.A. of dividends relating to the 2019 financial year as a result of the regulatory measures issued following the epidemiological emergency from COVID-19, including Decree Law No. 23 of April 8, 2020, effective from April 9, 2020.

Revenues from sales and services were Euro 26,207 thousand and principally concern “Inter-company services” provided to the direct subsidiaries. Service revenues specifically concern those provided by the Parent Company as part of the management, co-ordination and control from a legal, administrative, tax, financial and strategic viewpoint in the interest of Group companies.

41.2. Other operating revenues

(in Euro thousands)	2021	2020
Cost recoveries	1	1
Insurance indemnities	2	0
Gains on disposals	0	3
Operating currency gains	1,744	0
Other income	5,523	3,411
Total	**7,270**	**3,415**

Other operating revenues in the year amounted to Euro 7,270 thousand and concerned principally income from specific administrative, tax, legal and procurement service contracts undertaken between Maire Tecnimont S.p.A. and a number of Group subsidiaries (Tecnimont S.p.A, MST S.p.A., Met Development S.p.A.).

“Operating exchange differences”, amounting to Euro 1,744 thousand, concerning the net gain between currency gains and losses; the increase follows currency market movements; the previous year recorded net losses and was classified under "Other operating expenses”.

41.3. Raw materials and consumables

Raw materials and consumables costs for the year were Euro 34 thousand.

The breakdown of the account is as follows:

(In Euro thousands)	2021	2020
Consumables	(19)	(35)
Fuel	(15)	(11)
Total	**(34)**	**(46)**

The account principally concerns the purchase of stationary for Euro 19 thousand and fuel consumption for Euro 15 thousand for company vehicles.

41.4. Service costs

Service costs amounted to Euro 19,454 thousand, a decrease of Euro 2,097 thousand on the previous year.

The breakdown of the account is as follows:

(In Euro thousands)	2021	2020
Utilities	(223)	(269)
Maintenance	(433)	(397)
Consultants and related services	(3,986)	(6,352)
Director and Statutory Auditor Remuneration	(2,191)	(2,766)
Bank expenses and sureties	(595)	(462)
Selling & advertising costs	(572)	(441)
Accessory personnel costs	(4,257)	(3,990)
Post & telephone and similar	(15)	(10)
Insurance	(340)	(542)
Increase in internal work capitalized	396	1,077
Other	(7,238)	(7,399)
Total	**(19,454)**	**(21,551)**

Consultants and related services include professional fees, principally legal services and consultancy and administrative services, and audit and tax and commercial consultancy fees. The decrease is the result of the lower use of external consulting in 2021.

Director and Statutory Auditor Remuneration concerns that matured by the members of the Board of Directors, the Board of Statutory Auditors' emoluments, those of the Supervisory Committee, the Remuneration Committee, the Internal Control Committee and the Related Parties Committee.

Ancillary personnel costs mainly refers to travel and other ancillary costs incurred by personnel, the increase is a consequence of the lifting of travel restrictions following the pandemic as compared to the previous year.

The Other account mainly concerns inter-company services for the Via Gaetano de Castillia (Milan) offices, including office canteen expenses, maintenance and other accessory activities. The account in addition includes non-capitalized IT costs, application package maintenance expenses and printing and reproduction service costs.

41.5. Personnel expense

Personnel expenses in the year amount to Euro 29,211 thousand, an increase of Euro 8,187 thousand compared to the previous year.

(In Euro thousands)	2021	2020
Wages and salaries	(21,806)	(15,869)
Social security contributions	(5,890)	(4,117)
Post-employment benefits	(1,415)	(1,021)
Other costs	(100)	(17)
Total	**(29,211)**	**(21,024)**

The breakdown of the account is as follows: The workforce at December 31, 2021 numbered 172, increasing 21 on the previous year; the average headcount increased from 150 to 170.

The movement in the company's workforce by category is as follows:

Category	Workforce 31/12/2020	Hires	Departures	Infra-group transfers	Promotions	Workforce 31/12/2021
Executives	49	2	(1)	4	2	56
Managers	53	5	(1)	7	1	65
White-collar	49	8	(6)	3	(3)	51
Blue-collar	0	0	0	0	0	0
Total	151	15	(8)	14	0	172
Average headcount	150					170

In 2021 personnel expenses rose due to the factors illustrated above and the increase in charges related to the remuneration policy and employee incentive plans; the social security charges also increased on the previous year and their percentage of total remuneration is in line with the requirements by law.

In 2021, Maire Tecnimont confirmed, as in previous years, the strategic lines of its Remuneration Policy, as illustrated in the "2021 Remuneration Policy and Report" -, prepared in light of the provisions of Shareholder Rights Directive II, the amendments made to Article 123-ter of the CFA by Legislative Decree No. 49/2019, the Corporate Governance Code and the new wording of the Issuers' Regulation. As in previous years, the objective of the Policy - which was approved by the Board of Directors on March 10 - is to attract and retain personnel with sufficient role-specific skills and professional qualities to pursue the sustainable and long-term success of the company. The Shareholders' Meeting of April 15 approved the contents of the Policy and the adoption of the third-cycle (2021-2023) "equity settled" of the Long Term Incentive Plan. In continuity with previous years, the plan was established to align senior management's interests with the pursuit of the Company's sustainable success, and to maintain the alignment of critical interests with corporate objectives, further supporting retention in the long term. On June 24, the Board of Directors approved the plan Regulation and approved the start of the Second Cycle (2021) of the ordinary 2020-2022 General Share Plan for all employees, providing for the allocation of the relative rights within the terms defined by the relative Regulation. After being put on hold last year following cost containment measures approved by the Board of Directors on May 7, 2020, work to define and assign objectives for the year under review resumed during the first half of 2021 both as regards the MBO incentive plan for Senior Executives and as regards the Group Incentive Standard in place for other key business figures. 2021 saw the introduction of two significant innovations in this regard, namely i) the presence – in all forms and with a weighting of at least 10% – of non-financial objectives closely related to ESG topics and specifically the protection of health and safety, the development of human capital, and environmental sustainability, and

ii) the application of a "rolling" approach, with the assignment of an objective in the second half of the year, to provide managers with a timely and flexible tool to steer the actions of employees involved with the management of any new emerging priorities. In the first half of the year, the Group drew up objectives linked to previously implemented incentive and engagement systems and those in force for the financial year in question. In line with current trade union agreements, annual bonuses and profit sharing figures for 2020 were approved, as was the flexible benefits portion of the Maire4You Plan for the same period. It should also be noted that the aforementioned Board meeting of June 24, having verified the achievement of the performance objectives for the First Cycle (2020) of the 2020-2022 General Share Plan, resolved to allocate - on July 8, 2021 - the related shares to the over 4,000 beneficiaries. The same Board meeting also resolved to launch the Second Cycle (2021) of the Plan, which registered an acceptance rate of over 95%, in confirmation of the widespread appreciation of the initiative among employees.

The account “Personnel expense” in 2021 also includes the share in the period of the long-term incentive plan dedicated to the Chief Executive Officer and selected Senior Executives (LTI 2019-2021), the additional charges of the employee flexible benefits plans (“Maire4You”), and the participation bonus, whereas the accrued share of the severance benefits for Maire Tecnimont’s Chief Executive Officer was released.

41.6. Other operating costs

Other operating costs in the year amounted to Euro 972 thousand, a decrease of Euro 2,171 thousand compared to the previous year.

The breakdown of the account is as follows:

(In Euro thousands)	2021	2020
Hire	(14)	(31)
Rental	(64)	(60)
Operating currency losses	0	(2,135)
Other costs	(894)	(917)
Total	**(972)**	**(3,143)**

The item Rentals mainly refers to the short-term rental of vehicles and therefore excluded from the application of IFRS 16.

Rental charges concern the accessory charges related to the leasing of the office use buildings, in particular those at Piazzale Flaminio (Rome) and Via Castello della Magliana (Rome).

The value of commitments related to leases of less than 12 months non included among financial liabilities is approximately the same as the payments expensed during the year.

“Operating currency losses” reflect the net loss between currency gains and losses; the gain or loss follows currency market movements; the amount was positive and therefore classified under “Other Operating Revenues”.

Other costs of Euro 894 thousand principally concern membership fees, sales representative costs and other general costs.

41.7. Amortization, depreciation & write-downs

Amortization, depreciation and write-down of fixed assets in the year amounted to Euro 901 thousand, a decrease of Euro 102 thousand compared to the previous year.

This item may be analyzed as follows:

(In Euro thousands)	2021	2020
Amortization	(96)	(91)
Depreciation	(154)	(156)
Depreciation of right-of-use - Leasing	(651)	(756)
Total	**(901)**	**(1,003)**

Amortization of intangible assets of Euro 96 thousand relates to concessions and licenses (company software applications) and other intangible assets, principally concerning consultancy costs for the installation and launch of these applications.

Depreciation amounted to Euro 154 thousand and concerns EDP, miscellaneous equipment and improvements at the Rome offices in Piazzale Flaminio.

The depreciation of right-of-use - leasing of Euro 651 thousand concerns the usage rights recognized on the buildings and motor vehicles.

41.8. Financial income

(In Euro thousands)	2021	2020
Income from subsidiaries	18,567	11,118
Other income	10	115
Income on derivatives	10,157	0
Total	**28,734**	**11,234**

Income from subsidiaries of Euro 18,567 thousand concerns interest matured on loans, financial instruments classified as loans and receivables at amortized cost, granted to Neosia Renewables S.p.A., to Met Development S.p.A., to Met Dev 1 S.r.l., to Met Gas Processing Technologies S.p.A., to MST S.r.l., to Tecnimont Nigeria, to TCM Philippines and to Nextchem S.p.A., and interest income accrued on current accounts; we recall that the Company adopted with the subsidiaries cash pooling systems to streamline the management of Group cash flows, avoiding the dispersion of liquidity and minimizing financial charges and other costs.

Income on derivatives for Euro 10,157 thousand refer specifically to:

- for Euro 444 thousand related to the positive differential closed and settled during the year following the partial closure of the cash-settled Total Return Equity Swap (TRES) derivative instruments;
- for Euro 527 thousand income arising on the TRES contracts, related to the distribution of dividends by Maire Tecnimont S.p.A., which the intermediary receded to the Issuer.
- for Euro 9,186 thousand the positive fair value change of the residual portion of two cash-settled Total Return Equity Swap derivative instruments (TRES) to hedge against movements in the Maire Tecnimont share price essentially tied to the personnel incentive plans in place. The residual portions of the financial derivative instrument assets as at December 31, 2021, hedged the risk relating to approx. 1.5 million shares.

The derivative contract (TRES) was underwritten with a financial intermediary, with no obligation for Maire Tecnimont to acquire the treasury shares, but only the obligation for the settlement between the parties of the differential between the exercise price and the Maire Tecnimont share price on the maturity of the instruments. Contractual maturity is December 31, 2022. For accounting purposes, the TRES cannot be designated as a hedging derivative instrument and is valued, in accordance with IFRS 9 at fair value, with the related changes recorded in the income statement.

For further information and analysis of the Fair Value Hierarchy, reference should be made to the "FINANCIAL RISKS" section.

41.9. Financial expenses

(In Euro thousands)	2021	2020
Charges from group companies	(6,209)	(5,950)
Other charges	(11,396)	(7,117)
Equity Linked Bond interest & other charges	(4,898)	(5,437)
Charges on derivatives	0	(3,733)
Financial expenses on rights-of-use	(152)	(106)
Total	**(22,655)**	**(22,343)**

Financial expenses were Euro 22,655 thousand and concern for Euro 6,209 thousand interest charges on loans received from KT-Kinetics Technology S.p.A. and Tecnimont-KT JV S.r.l.. These charges are measured at amortized cost using the effective interest rate method and financial charges for cash pooling related to the interest paid to the subsidiaries on the current account balances of the cash pooling during the year.

Other charges increased considerably compared with the previous year and refer to interest expense on bank loans.

In 2020, Maire Tecnimont S.p.A. negotiated a loan agreement for Euro 365 million, 80% of which was backed by SACE's "Garanzia Italia" (Italy Guarantee) and disbursed by a syndicate of leading Italian financial institutions comprising Banco BPM, Cassa Depositi e Prestiti, Intesa Sanpaolo and Unicredit. The loan mainly supported the working capital needs of the parent company Maire Tecnimont and its main operating companies in Italy, in line with the provisions of the Liquidity Decree of April 9, 2020 and has a total duration of 6 years, of which 2 years grace period and a rate of 1.7% per annum, plus the cost of SACE's Italy Guarantee

The financing, with extremely flexible features, as it can be repaid in whole or in part at any time without additional cost, will contribute to strengthening the group's financial structure to cope with the volatility of the markets caused by Covid 19.

The "Interest Bond" charges, amounting to Euro 4,898 thousand, specifically refer to:

- For Euro 171 thousand interest on the non-convertible bonds subscribed in 2017 through private placement, by the Pan-European Fund managed by an Amundi Group company. The reduction in charges on the previous year is due to the early settlement of the second and final tranche of these Bonds for a nominal amount of Euro 20 million in Q1 2021.
- for Euro 4,727 thousand the cash and non-cash components of interest on non-convertible bonds of Euro 165 million issued on May 3, 2018 by Maire Tecnimont S.p.A.;

Right-of-use - Leasing financial expense at Euro 152 thousand concerns the financial expense matured in 2021 on finance lease liabilities recognized following the introduction of the new IFRS 16; the increase on the previous year is mainly due to the increase in financial liabilities on which interest matures as a result of new contracts signed during the year.

41.10. Investment income/(expenses)

No write-downs of equity investments or other financial assets were recorded in 2021, also following impairment tests, as described in detail in the item "Investments in subsidiaries".

41.11. Income taxes

(In Euro thousands)	2021	2020
Current income taxes	(330)	7,742
Prior year taxes	45	1,262
Deferred tax income	1,398	(804)
Deferred tax charges	564	(75)
Total	**1,677**	**8,125**

Income taxes, a net gain of Euro 1,677 thousand, decreased Euro 6,448 thousand from the previous year, due mainly to reduced income from the tax consolidation for the year, the remuneration of the fiscal losses and interest expense used in determining the group's taxable income. Current income taxes, a negative Euro 330 thousand, include corporate income taxes (IRES) for the year, the income from the tax consolidation, and the substitute tax due in accordance with Article 110, paragraphs 8 and 8-bis, of Law Decree 104/2020. In this regard, it should be noted that, in 2021, Maire Tecnimont S.p.A. took advantage of the option to realign the fiscal values of the Tecnimont and KT-Kinetics Technology trademarks of indefinite life to their greater carrying values as allowed under Article 110, paragraphs 8 and 8-bis, of Law Decree 104/2020. The realignment will determine, against payment of a substitute tax of 3%, the deduction in 50 years, as from 2021, of the tax amortization of the realigned value and will generate benefits in terms of IRES. In 2021, Maire Tecnimont S.p.A. paid one of the three instalments of substitute tax due and the remaining two instalments will be paid in 2022 and 2023, respectively, for a total of Euro 37 thousand.

Prior year taxes, a positive Euro 45 thousand, reflects the effects of the tax filing as compared to the estimate calculated for the 2020 financial statements.

Deferred tax income of Euro 1,398 thousand mainly concerns the provisions related to employee incentive plans, whereas deferred tax charges of Euro 564 thousand mainly refers to the release of deferred taxes allocated in previous years on the trademarks involved in the fiscal realignment pursuant to Article 110, paragraph 8 and 8-bis, of Law Decree 104/2020.

Maire Tecnimont S.p.A. and the subsidiaries Tecnimont S.p.A., Met Gas Processing Technologies S.p.A., Met Development S.p.A., MST S.p.A., Neosia Renewables S.p.A., KT-Kinetics Technology S.p.A., Met Dev 1 S.r.l. and Tecnimont KT-JV S.r.l. opted to apply the Tax Consolidation regime which permits the calculation of the IRES corporation tax on a tax basis representing the aggregate of the taxable income and losses of the individual companies.

An analysis of the difference between the theoretical and effective tax charge for the year follows:

IRES	31/12/2021
Income before taxes	**72,064**
Theoretical Rate (*)	24.0%
Theoretical tax charge	17,295
Temporary differences deductible in future years	10,816
Temporary differences assessable in future years	(575)
reversal of temporary differences from previous years:	
Deductible temporary differences	(626)
Taxable temporary differences	2
Total	(624)
Non-reversing differences in future years:	
Increases	4,096
Decreases	(78,928)
Total	(74,832)
Total changes	(65,215)
Assessable income	**6,849**
Current taxes (A)	1,644
Effective IRES rate	2.28%
Effect adhesion to fiscal consolidation	
Temporary differences deductible in future years	(4,353)
Use of prior-year fiscal losses	(4,684)
Reduction in current taxes (B)	**(1,045)**
Income from the tax consolidation (C)	**(1,124)**
Charge from the tax consolidation (D)	**799**
Substitute tax as per Art. 110 of L.D. 104/2020 (E)	**56**
Current income taxes (A) + (B) + (C) + (D) + (E)	330

(*) For the purposes of a better understanding on the reconciliation between the tax charge recorded in the accounts and the theoretical tax charge, no account is taken of the IRAP regional tax charge, as consisting of a tax with a different assessable base would generate distortions between each year. Therefore, theoretical taxes were calculated applying only the applicable rate in Italy (24% for IRES in 2021) to the pre-tax result.

(**) The account principally concerns dividends received from subsidiaries and the write-down of investments.

41.12. Earnings per share

The share capital of Maire Tecnimont S.p.A. comprises ordinary shares, whose earnings (loss) per share is calculated dividing the net income in 2021 by the weighted average number of Maire Tecnimont S.p.A. shares in circulation in the period considered.

Therefore, at the reporting date, following the acquisition of 197,346 treasury shares, the number of shares in circulation was 328,443,086. This figure was used as the denominator for the calculation of the earnings (loss) per share at December 31, 2021.

Basic earnings per share, net of treasury shares, amounts to Euro 0.225 and up on the previous year, essentially as a result of higher net income for the year, primarily due to increased revenues from dividends received during the year.

(in Euro)	2021	2020
Number of shares in circulation	328,640,432	328,640,432
(Treasury shares)	(197,346)	0
Number of shares to calculate earnings per share	328,443,086	328,640,432
Net income	73,740,964	(13,201,539)
Earnings per share (Euro)		
Earnings per share - basic (in euro)	**0.225**	**(0.040)**
Earnings per share - basic (in euro)	**0.225**	**(0.040)**

Diluted earnings equate to basic earnings in the absence of dilutive elements.

42. Notes to the Balance Sheet

42.1. Property, plant and equipment

(In Euro thousands)	2020	Changes in year	2021
Other assets	356	8	364
Total	**356**	**8**	**364**

The following table illustrates the changes in the historical cost, accumulated depreciation and net book values for the year 2021:

(In Euro thousands)	Plant & Equipment	Industrial & commercial equipment	Assets in progress and advances	Other Assets	Total
Net book value at December 31, 2020	**0**	**0**	**0**	**356**	**356**
Increases	0	0	162	0	162
Depreciation & write-downs	0	0	0	(154)	(154)
Other changes	0	0	0	0	0
Net book value at December 31, 2021	**0**	**0**	**162**	**202**	**364**
Historical cost	2	20	162	1,262	1,446
Accumulated depreciation	(2)	(20)	0	(1,060)	(1,082)

The main decreases concerned depreciation in the year.

The account other assets also includes the vast historical archive of the former Fiat Engineering complex comprising approx. 7,000 boxes, 6,000 dossiers and 65,000 microfilms in addition to enumerable reports, notes and photographs; a wealth of civil and industrial projects and among the most important engineering works are included personalities which have marked the Italian engineering panorama: Quaroni, Danusso, Covre, Albini, Nervi, Morandi, Zevi, Aulenti, Gabetti, Isola, Piano, Halprin, Rogers, Krier. The archive is bound by the Department of Cultural Heritage; its value has been estimated at almost Euro 26 million, but at the moment, the book value is zero.

For comparative purposes the changes relating to the previous year are shown below:

(In Euro thousands)	Plant & Equipment	Industrial & commercial equipment	Assets in progress and advances	Other Assets	Total
Net book value at December 31, 2019	**0**	**0**	**0**	**512**	**512**
Increases	0	0	0	0	0
Depreciation & write-downs	0	0	0	(156)	(156)
Other changes	0	0	0	0	0
Net book value at December 31, 2020	**0**	**0**	**0**	**356**	**356**
Historical cost	2	20	0	1,262	1,284
Accumulated depreciation	(2)	(20)	0	(906)	(928)

42.2. Other intangible assets

(In Euro thousands)	2020	Changes in year	2021
Concessions, licenses, trademarks and similar rights	3,129	(31)	3,098
Other	61	(50)	11
Assets in progress and advances	1,448	145	1,593
Total	**4,638**	**64**	**4,702**

The following table illustrates the changes in the historical cost, accumulated depreciation and net book values for the year 2021:

(In Euro thousands)	Concessions, licenses, trademarks & others	Other	Assets under construction and payments on account	Total
Net book value at December 31, 2020	**3,129**	**61**	**1,448**	**4,638**
Increases	0	14	145	159
Disposals	0	0	0	0
Amortization & write-downs	(31)	(64)	0	(96)
Other changes	0	0	0	0
Net book value at December 31, 2021	**3,098**	**11**	**1,593**	**4,702**
Historical cost	4,495	4,829	1,593	10,917
Accumulated amortization	(1,397)	(4,818)	0	(6,215)

The breakdown of the trademarks with indefinite useful lives is shown in the table below.

(In Euro thousands)	2021
Tecnimont brand	3,016
KT- Kinetics Technology brand	70
Nextchem brand	5
MST Brand	4
Total	**3,095**

The Company verifies the recovery of the indefinite useful lives of the trademarks at least on an annual basis or more frequently when there is an indication of a loss in value. The recoverable value of trademarks with indefinite life was compared to the value in use.

For comparative purposes the changes relating to the previous year are shown below:

(In Euro thousands)	Concessions, licenses, trademarks & others	Other	Assets under construction and payments on account	Total
Net book value at December 31, 2019	**3,150**	**123**	**371**	**3,644**
Increases	9	0	1,077	1,086
Disposals	0	0	0	0
Amortization & write-downs	(30)	(61)	0	(91)
Other changes	0	0	0	0
Net book value at December 31, 2020	**3,129**	**61**	**1,448**	**4,638**
Historical cost	4,495	4,815	1,448	10,758
Accumulated amortization	(1,366)	(4,754)	0	(6,120)

42.3. Right-of-use - Leasing

(In Euro thousands)	2020	Increases	Decreases	Depreciation in the year	2021
Right-of-use - Leasing - Historical cost	4,180	4,576	(326)	0	8,430
(Right-of-use - Leasing - Accumulated depreciation)	(1,409)	0	329	(652)	(1,732)
Total	**2,771**	**4,576**	**3**	**(652)**	**6,698**

The value of right-of-use at December 31, 2021, recognized in accordance with IFRS 16, is Euro 6,698 thousand; the change relates to depreciation in the year, net of new contracts.

The account right-of-use – leasing mainly refers to rights of use recognized for office use buildings and motor vehicles, as follows:

(In Euro thousands)	2020	Changes in year	2021
Buildings	2,217	4,000	6,217
Other assets	554	(73)	481
Total	**2,771**	**3,927**	**6,698**

During the year, considering the Covid-19 emergency, no renegotiations of contractual terms of lease contracts or supports from lessors occurred.

42.4. Investments in subsidiaries

The value of equity investments in subsidiaries amounts to Euro 774,021 thousand, an increase of Euro 2,790 thousand on the previous year.

(In Euro thousands)	2020	Changes in year	2021
Subsidiary companies:			
Investment in Tecnimont S.p.A.	612,664	(281)	612,383
Investment in MST S.p.A. (*)	26,541	(20)	26,521
Investment in Neosia Renewables S.p.A.	35,174	3,003	38,177
Investment in Met Development S.p.A.	10,017	4	10,021
Investment in KT S.p.A.	27,852	(185)	27,667
Investment in MET GAS Processing Technologies S.p.A.	8,180	0	8,180
Investment in Stamicarbon B.V.	40,359	2	40,361
Shareholding in Nextchem S.p.A.	10,444	267	10,711
Total	**771,231**	**2,790**	**774,021**

(*) In January 2021, Neosia S.p.A. was merged into M.S.T. S.r.l., which was then transformed from a limited-liability company (S.r.l.) into a joint-stock company (S.p.A.). The goal of this merger was:

i. to rationalize commercial and industrial operations by shortening the chain of control of a portion of the broader Green Energy business unit of the Maire Tecnimont Group and, more specifically,

ii. to strengthen maintenance services, facility management, and the provision of general services connected with the temporary facilities through engineering, infrastructure works, and other projects aimed at offering integrated decarbonization solutions in the public and private sectors. The corporate restructuring is targeted, therefore, at achieving a more effective and efficient business management model, as well as producing savings in both economic and management terms through the containment of structural costs.

The main increase is linked to the adjustment of the value of the equity investments held as a result of the free assignment of shares to the employees of some Group companies, as provided for by IFRS 2. In fact, the compensation component from shares granted by Maire Tecnimont S.p.A. to employees of some Group companies is recognized as a capital contribution to the subsidiaries which employ beneficiaries of the stock option plans, and, as a result, is recorded as an increase in the carrying amount of the investment, with a balancing entry recognized directly in equity. The effects in the financial statements of the Plans, estimated through adequately weighting the defined maturity conditions (including the probability of employees remaining in the Group for the duration of the Plan), will be recognized over the maturity period of the benefit, or rather over the duration of the Plan.

Investments in subsidiaries are measured at cost.

The last column of the following table shows the differences between the book value at cost and the relative share of Net Equity:

Company (in Euro thousands)	Registered Office	Share capital	Currency	Book Net Equity (Group share)	% held	Book net equity share (A)	Book value (B)	Change (A-B)
Tecnimont S.p.A.	Via G. De Castillia 6/A (MI)	1,000	Euro	454,694 (*)	100%	454,694	612,383	(157,689)
MST S.p.A	Via di Vannina 88/94 (RM)	400	Euro	43,842 (*)	100%	43,842	26,521	17,321
Neosia Renewables S.p.A.	Via G. De Castillia 6/A (MI)	50	Euro	5,770 (*)	100%	5,770	38,177	(32,407)
MET Development S.p.A.	Via G. De Castillia 6/A (MI)	10,005	Euro	14,730 (*)	100%	14,730	10,021	4,709
KT S.p.A.	Viale Castello Della Malian (RM)	6,000	Euro	33,939 (*)	100%	33,939	27,667	6,272
MET Gas Processing Technologies S.p.A.	Via G. De Castillia 6/A (MI)	50	Euro	872 (**)	100%	872	8,180	(7,308)
Stamicarbon B.V.	Sittard-The Netherlands	9,080	Euro	61,101 (*)	100%	61,101	40,361	20,740
Nextchem S.p.A.	Via di Vannina 88/94 (RM)	18,095	Euro	14,338 (*)	56.67%	8,125	10,711	(2,586)

(*) As per the latest consolidated financial statements approved by the respective Boards of Directors, or where not available, the consolidated reporting packages.

(**) As per the latest separate financial statements approved by the respective Boards of Directors, or where not available, the consolidated reporting packages.

An impairment test was carried out on the investments in Tecnimont S.p.A., Neosia Renewables S.p.A., and Nextchem S.p.A., as the book value of the investments was higher than the pro-quota net equity at December 31, 2021, as was the case also in the previous year. For Neosia Renewables S.p.A., there was also a delay in the order intake process compared to what had been planned, as was the case for Nextchem S.p.A., active in green chemicals and in technologies to support the energy transition, in view of the start-up phase of the new scope emerging in the recent past.

Impairment testing was conducted with regard to the investment in MST S.p.A. given that, during the year, the company was involved in a rationalization of its industrial and commercial operations, events that pointed to a possible impairment loss and inability to recover the book value of the investment.

No impairment tests were carried out on other investments as no events occurred indicating a reduction in value.

This analysis was undertaken in conjunction with an independent expert, utilizing the cash flows based on the 2022 Budget and the 2022-2026 Business Plan approved by the Board of Directors on February 25, 2022.

These cash flows confirm the assumptions and the strategic projections of the Group plan and reflect the best estimates made by Management in relation to the main assumptions concerning business operations (macro-economic and price movements and the business development picture), including the estimated effects from the Covid-19 pandemic. The underlying assumptions and the corresponding financials are considered appropriate for the impairment test. The plan, in addition to the project margins, includes commercial, general and administrative costs.

The main assumptions reflected in the 2022 Budget and the Industrial Plan take account of the significant backlog at the end of 2021 and the contracts signed with international clients since the beginning of the current year, which indicate the maintenance of the strong industrial performances delivered in 2021.

The market is expected to remain challenging, although the recognized technological know-how of the Group continues to develop and extend to adjacent technologies, in synergy with existing technologies and a flexible business model offering innovative services and products that can anticipate market demand. We can therefore forecast the maintenance of a significant backlog. This forecast is backed up by a strong commercial pipeline and the expectation of additional new contracts over the coming quarters, which will also extend our geographic reach.

The configuration of the value utilised for the calculation of the recoverable value of the investments indicated above is the value in use which is obtained estimating the operating value (OV), the net financial position (NFP) and the value of accessory assets (ACC).

The operating value of each unit was determined based on the estimated future cash flows discounted which the CGU will be capable of producing in the future. The estimated cash flows include the recharge of general and administration costs (G&A) of the Group for all the CGU's. The value of the cash flows was expressed net of the notional imposition, considering the tax benefit relating to any deductibility of amortization and depreciation.

For the determination of the recoverable value, the cash flows refer to the business plan, as well as a final value (Terminal Value) beyond the plan horizon, in line with the nature of the investments and with sector operations. Relating to the estimate of the Terminal Value, the last year of the cash flows was not taken as an expression of the "normalized" cash flow, but rather the average margin of the Plan future cash flows was considered. The "normalized" cash flow was capitalized at a g growth rate as detailed in the subsequent tables.

For the purposes of the discounting of the operating cash flows, the interest rate identified was the weighted average cost of capital (WACC) post tax. The parameters used to estimate the discount rates (Beta and Net Financial Position) were determined on the basis of a basket of comparable companies operating in the "Infrastructure", "Plant Engineering", "Licensing" and "Green Chemistry" sectors, respectively, calculating for each the key financial indicators, as well as the most significant market values.

The risk-free rate utilized considered the Eurirs average 12 months (S&P Capital IQ) rate, the expected medium/long-term inflation rate for the reference countries and the relative Country Risk Premium (determined on the basis of the differential between the country CDS spread and the country benchmark CDS spread). The market risk premium was estimated at 5.5%. It was considered appropriate to consider a specific risk for each investment above the relative discounting rate; this premium was determined based on the comparison between the size of the investment and the companies utilized for the estimate of the Beta Unlevered. This risk was increased by a Company Specific Risk Premium in relation to the conditions of the individual investments.

For cost of equity, therefore, the rates have been prudently increased in order to reflect the potential execution risk connected with the specific characteristics of the related businesses, and specifically: 1.4 percentage points for the investment in MET Gas Processing Technologies S.p.A.; 5 percentage points for the investments in MST S.p.A. and Neosia Renewables S.p.A. given, in part, the outlook for the two companies following the change in their structure, their commercial repositioning, the strengthening of synergies, and delays in new order intake; and 5 percentage points for the investment in Nextchem S.p.A. given the start-up phase of the new scope started in the recent past and active in the field of green chemicals and technologies to support the energy transition.

The principal accessory asset/liability (ACC) included in the valuation were the tax benefits from prior year tax losses over the Plan duration and other minor assets.

The analysis undertaken based on the parameters outlined above did not result in any loss in value in relation to the investments.

The recoverable value amounts to approx. Euro 2,288.3 million in Tecnimont S.p.A., amounting to Euro 57.7 million in MST S.p.A, amounting to approx. Euro 57.6 million in Neosia Renewables S.p.A., amounting to approx. Euro 8.3 million in MET Gas Processing Technologies S.p.A. and amounting to approx. Euro 64.5 million in Nextchem S.p.A..

A sensitivity analysis was also undertaken on the basis of the changes in the following parameters: i) discount rate, ii) growth rate for the estimate of the Terminal Value, and iii) cash flows for the plans under consideration (-10%/+10%); based on this analysis, the range of the recoverable value of the investments was determined.

Discount rate (WACC post tax)	Lower extreme	Higher extreme
Investment in Tecnimont S.p.A.	7.8%	9.8%
Investment in MST S.p.A.	9%	11%
Investment in Neosia Renewables S.p.A.	8.3%	10.3%
Investment in Met Gas Processing Technologies S.p.A.	9.8%	11.8%
Investment in Nextchem S.p.A.	12.6%	14.6%

Growth rate beyond plan period	Lower extreme	Higher extreme
Investment in Tecnimont S.p.A.	0%	2.1%
Investment in MST S.p.A.	0%	0.1%
Investment in Neosia Renewables S.p.A.	0%	1.9%
Investment in Met Gas Processing Technologies S.p.A.	0%	1.8%
Investment in Nextchem S.p.A.	0%	0.6%

The sensitivity analysis did not indicate impacts for the equity investments, with the exception of the subsidiary Met Gas Processing SpA which in the worst case scenario indicates a reduction in value of approx. Euro 1.3 million.

In the application of this method, management utilized assumptions, including the estimate of the future increases in the backlog, revenues, gross margin, operating costs, growth rate of the terminal value, investments and average weighed cost of capital (discount rate). And /revision of

the cash flows refer to current business conditions and therefore do not include cash flows related to events of an extraordinary nature.

The estimates and the budget data were determined by company management based on past experience and forecasts relating to the development of the Group and company markets. However, the estimate of the recoverable value of the investments requires discretionary interpretation and the use of estimates by management. The company cannot guarantee that there will not be a loss in value of the investments in future years. In fact, various market environment factors may require a review of the value of the investments. The circumstances and events which could give rise to a further loss in value will be monitored constantly by the company and the Group.

42.5. Financial receivables

(In Euro thousands)	2020	Change in the year	2021
Financial receivables	320,742	(38,431)	282,311
Total	**320,742**	**(38,431)**	**282,311**

At December 31, 2021, financial receivables amounted to Euro 282,311 thousand, a decrease from the previous year due to the reclassification of the short-term portion to “Other current financial assets”.

Maire Tecnimont S.p.A. on July 14, 2020, provided a loan to two of its main operating companies in Italy, Tecnimont S.p.A. and KT-Kinetics Technology S.p.A., for Euro 250 million and Euro 70 million respectively. These loans were granted following the subscription by Maire Tecnimont of a loan agreement of Euro 365 million with an 80% guarantee from the SACE Italy Guarantee. This loan was disbursed by a syndicate of major Italian financial institutions made up of Banco BPM, Cassa Depositi e Prestiti, Intesa Sanpaolo and Unicredit.

In accordance with the provisions of the Liquidity Decree of April 9, 2020, these loans granted, like that received by Maire Tecnimont S.p.A., will have a total term of six years, of which two years of grace period and a rate of 1.7% per annum, in addition to the cost of the SACE Italy Guarantee.

42.6. Financial instruments - Derivatives (Non-current assets)

(In Euro thousands)	2020	Changes in year	2021
Non-current interest rate hedging derivatives	0	548	548
Total	**0**	**548**	**548**

The account, amounting to Euro 548 thousand, refers to the valuation of the non-current portion of the Interest Rate Swap (IRS) derivatives to hedge the exposure to the risk of variable interest rates on a portion of the loan signed by Maire Tecnimont S.p.A. for Euro 365 million, 80% of which is backed by SACE's Garanzia Italia (Italy Guarantee).

For further information and analysis of the Fair Value Hierarchy, reference should be made to the "FINANCIAL RISKS" section.

42.7. Other non-current assets

(In Euro thousands)	2020	Change in the year	2021
Trade receivables beyond 12 months	1,100	526	1,626
Total	**1,100**	**526**	**1,626**

Other non-current assets concern disputed receivables from clients due beyond 12 months and specifically from the Calabria Region for Euro 1,100 thousand.

With regards to this receivable, the arbitral award accepted most of the company's demands. The counterparty has proposed an appeal against the arbitral award and in 2013 the Catanzaro Court of Appeal nullified the award on the basis only of formal errors; the company therefore decided to challenge the judgement filed on May 6, 2013 and to appeal to the Cassation Court. The appeal was accepted with notification of 20/6/14; the Calabria Region did not make a counter appeal and the hearing date for discussion and subsequent decision is awaited. The above amount is currently considered recoverable on the basis of the strong grounds previously expressed in the arbitral award.

These receivables were due to the company Protecma S.r.l (now MET Gas Processioning Technologies S.p.A.) from the client for works executed in the past.

Euro 526 thousand to long-term prepayments.

42.8. Deferred tax assets and liabilities

(In Euro thousands)	2020	Change in the year	2021
Deferred tax assets	1,110	1,043	2,153
Deferred tax liabilities	(656)	532	(124)
Total	**454**	**1,575**	**2,029**

Deferred tax assets and liabilities report a positive balance of Euro 2,029 thousand, increasing Euro 1,575 thousand on the previous year and comprising deferred tax assets for Euro 2,153 thousand and deferred tax liabilities for Euro 124 thousand.

Maire Tecnimont S.p.A. and the subsidiaries Tecnimont S.p.A., Met Gas Processing Technologies S.p.A., Met Development S.p.A., Neosia Renewables S.p.A., KT-Kinetics Technology S.p.A., MST S.p.A., Met Dev 1 S.r.l. and Tecnimont KT-JV S.r.l. opted to apply the Tax Consolidation regime which permits the calculation of the IRES corporation tax on a tax basis representing the aggregate of the taxable income and losses of the individual companies. Deferred tax assets on fiscal losses and carried forward are recognized only for those amounts for which it is probable there will be future assessable income to recover the amounts.

Deferred tax assets of Euro 2,153 thousand refer mainly to allocations related to employee compensation and incentive policies.

Deferred tax liabilities of Euro 124 thousand are related to amortization recognized for tax purposes on the trademarks of indefinite life of Tecnimont, KT-Kinetics Technology, Nextchem and MST, as well as to unrealized currency gains and the mark-to-market of interest-rate swaps (IRSs) for hedging purposes. The decrease for the year refers mainly to the release of deferred taxes allocated in previous years on the trademarks of indefinite life of Tecnimont and KT-Kinetics Technology, which were realigned for tax purposes in accordance with Article 110, paragraph 8 and 8-bis, of Law Decree 104/2020.

The breakdown and changes in the deferred tax assets and liabilities is shown below:

(In Euro thousands)	2020	Provisions	Utilizations	Reclass. /reversals	2021
Deferred tax assets					
Charges related to remuneration policies and personnel bonuses	434	1,484	-	27	1,945
Other	292	66	(152)	(27)	179
Post-employment benefits	30	-	(1)	-	29
Interest Rate Swap	355	-	-	(355)	-
Total deferred tax assets	**1,110**	**1,550**	**(153)**	**(355)**	**2,153**
Deferred tax liabilities					
Difference in intangible asset values (Trademarks)	(605)	(41)	605	-	(41)
Unrealized exchange gains	(51)	-	-	-	(51)
Interest Rate Swap	-	(32)	-	-	(32)
Total deferred tax liabilities	**(656)**	**(73)**	**605**	**-**	**(124)**
Total	**454**	**1,477**	**452**	**(355)**	**2,029**

42.9. Trade receivables

(In Euro thousands)	2020	Changes in year	2021
Trade receivables - within 12 months	25	11	36
Subsidiaries - within 12 months	27,011	14,440	41,451
Total	**27,036**	**14,451**	**41,487**

Trade receivables at December 31, 2021, amount to Euro 41,487 thousand, Euro 36 thousand of which refer to receivables from clients and Euro 41,451 to receivables from subsidiaries:

- Euro 18,923 thousand relate to control and coordination activities, tax, financial and legal services, staff service agreements, Bank Guarantee chargebacks and other chargebacks.
- Euro 4,200 thousand refer to credits for excess IRES transferred to the subsidiaries; on the basis of the provisions of Presidential Decree 29/09/1973, these may be used to offset other payables to the tax authorities.
- Euro 18,328 thousand relates to receivables for the tax consolidation; the amount concerns the net balance of advances and tax credit and debit positions transferred to the consolidating company by the subsidiaries involved in the tax consolidation.

42.10. Current tax assets

(In Euro thousands)	2020	Changes in year	2021
Current tax assets	11,326	(8,401)	2,925
Other tax assets	5,999	29,471	35,470
Total	**17,325**	**21,070**	**38,395**

Current tax assets at December 31, 2021 amount to Euro 38,395 thousand, increasing Euro 21,070 thousand on the previous year. This change relates principally to the increase in the Group VAT.

Current tax receivables mainly concern various tax refunds of Euro 2,364 thousand, IRES credits of Euro 300 thousand, and IRAP credits of Euro 227 thousand.

Other tax receivables concern receivables for Group VAT paid as tax consolidating company for Euro 34,864 thousand and VAT credits to be used to offset VAT payments for Euro 606 thousand.

Maire Tecnimont S.p.A. and the subsidiaries Tecnimont S.p.A., MST S.p.A., Met Gas Processing Technologies S.p.A., Neosia Renewables S.p.A., KT S.p.A., Met Development S,p,A., Met Dev 1 S.r.l. and Tecnimont-KT JV S.r.l. opted to apply the Tax Consolidation regime which permits the calculation of the IRES corporation tax on a tax basis representing the aggregate of the taxable income and losses of the individual companies. The Tax Consolidation is valid for fiscal years 2019-2021 and shall be deemed tacitly renewed unless revoked.

Maire Tecnimont S.p.A. and the Tecnimont S.p.A. companies, Neosia Renewables S.p.A., Met Gas Processing Technologies S.p.A., Consorzio Cefalù 20 S.c.a.r.l., Met Development S.p.A, MST S.p.A. and Tecnimont-KT JV S.r.l. have also applied the Group VAT consolidation regime.

42.11. Financial instruments - Derivatives (Current assets)

(In Euro thousands)	2020	Change in the year	2021
Derivative financial instruments - TRES	0	1,222	1,222
Total	**0**	**1,222**	**1,222**

The account for Euro 1,222 thousand concerns the positive fair value of the residual portion of a cash-settled Total Return Equity Swap derivative instrument (TRES); to hedge against movements in the Maire Tecnimont share price essentially tied to the personnel incentive plans in place. The residual portions of the instruments as at December 31, 2021 hedged the risk relating to approx. 1.5 million shares. The derivative contract (TRES) was underwritten with a financial intermediary, with no obligation for Maire Tecnimont to acquire the treasury shares, but only the obligation for the settlement between the parties of the differential between the exercise price and the Maire Tecnimont share price on the maturity of the instruments. Contractual maturity is December 31, 2022. For accounting purposes, the TRES cannot be designated as a hedging derivative instrument and is valued, in accordance with IFRS 9 at fair value, with the related changes recorded in the income statement.

The increase in cash-settled Total Return Equity Swap (TRES) derivative income is due to the favorable Maire Tecnimont share price in 2021 and in particular in the last part of the year with a consequent increase in the positive mark-to-market of the instrument.

For further information and analysis of the Fair Value Hierarchy, reference should be made to the "FINANCIAL RISKS" section.

42.12. Other current financial assets

(In Euro thousands)	2020	Changes in year	2021
Financial receivables within 12 months:			
Subsidiaries	141,438	41,522	182,960
Total	**141,438**	**41,522**	**182,960**

Other current financial assets total Euro 182,960 thousand, increasing from the previous year due to the reclassification of the short-term portion of financial receivables.

They are composed as follows:

- Euro 128,561 thousand for financial receivables related to Neosia Renewables S.p.A., MST S.p.A., Tecnimont Nigeria Ltd., Tecnimont Philippines, Met Development S.p.A., Nextchem S.p.A., Met Dev 1 S.r.l., KT-Kinetics Technology S.p.A, and MET Gas Processing Technologies S.p.A.;
- Euro 39,527 thousand for the short-term portion of loans granted to Tecnimont S.p.A. and KT-Kinetics Technology S.p.A. following the subscription by Maire Tecnimont of a loan agreement of Euro 365 million with an 80% guarantee from the SACE Italy Guarantee. This loan was disbursed by a syndicate of major Italian financial institutions made up of Banco BPM, Cassa Depositi e Prestiti, Intesa Sanpaolo and Unicredit.
- Euro 14,872 thousand for receivables related to correspondence accounts with subsidiaries.

From 2018 Maire Tecnimont S.p.A. adopted the cash pooling system to streamline the management of Group cash flows, avoiding the dispersion of liquidity and minimizing financial charges. Financial receivables and cash pooling account receivables are interest bearing, in accordance with market rates.

For all financial assets, the book value approximates the fair value which is calculated as described in the accounting policies section.

42.13. Other current assets

(In Euro thousands)	2020	Changes in year	2021
Other receivables - within 12 months	1,172	(47)	1,125
Commercial prepayments	202	260	462
Total	**1,374**	**214**	**1,587**

Other current assets at December 31, 2021 amounted to Euro 1,587 thousand and concerns Euro 462 thousand for prepayments for costs incurred in advance, for Euro 1,125 thousand the receivable from parent companies in respect of the Group's consolidated VAT and deposits. Again in 2021 a number of Group companies joined the tax consolidation, transferring their VAT settlement debit/credit balances to the consolidating Maire Tecnimont S.p.A..

42.14. Cash and cash equivalents

(In Euro thousands)	2020	Changes in year	2021
Bank and postal deposits	265,424	(108,583)	156,841
Cash in hand and similar	8	3	11
Total	**265,432**	**(108,580)**	**156,852**

Cash and cash equivalents at December 31, 2021 amount to Euro 156,852 thousand, a decrease of Euro 108,580 thousand compared to December 31, 2021.

Operating cash flow generated Euro 71,658 thousand, increasing on 2020 which reported the absorption of Euro 10,968 thousand. Cash flows from operating activities in 2021 include the increase in dividends received from subsidiaries.

Investing activities absorbed cash in the amount of Euro 3,008 thousand due mainly to the waiving of the receivable that arose during the year with Neosia Renewables S.p.A.

Financing activities absorbed a total of Euro 177,230 thousand in cash following the dividend distribution of Euro 38,122 thousand, the purchase of treasury shares for Euro 5,479 thousand, and voluntary early redemption of the 2019-2023 bond for Euro 20 million.

The estimate of the “fair value” of bank and postal deposits at December 31, 2021 approximates their book value.

42.15. Shareholders’ Equity

Shareholders’ Equity at December 31, 2021 was Euro 477,326 thousand, an increase on the previous year of Euro 33,255 thousand.

SHARE CAPITAL

The Share Capital of Euro 19,920,679 thousand comprises 328,640,432 shares, without nominal value and with full rights.

SHARE PREMIUM RESERVE

The Share Premium Reserve at December 31, 2021 amounted to Euro 272,921 thousand, broken down as follows:

The reserve comprises for Euro 25,000 thousand the share premium prior to November 26, 2007 and for Euro 58,045 thousand the share premium on the capital increase of 2007 net of the listing costs of Euro 3,971 thousand, net of the tax effect.

The change in 2013 was Euro 141,653 thousand, comprising share premium paid following the reserved share capital increase and from other shareholders amounting to Euro 146,417 thousand, offset for Euro 4,167 thousand for share capital increase charges net of the tax effect.

The increase in 2018 was Euro 48,223 thousand, following the share capital increase in service of conversion of the “€80,000,000 5.75 per cent equity-linked bonds due 2019” equity-linked bond loan.

This reserve may be utilized for share capital increases without consideration and/or for the coverage of losses. In accordance with Article 2431 of the Civil Code, this reserve may be distributed to the shareholders following a Shareholders’ Meeting motion.

OTHER RESERVES

The other reserves at December 31, 2021 amount to Euro 110,744 thousand and comprise:

- Legal Reserve which at December 31, 2021 amounts to Euro 5,328 thousand.

- The extraordinary reserves at December 31, 2021, amounted to Euro 117,682 thousand, reducing Euro 3,867 thousand following the distribution of the dividend approved by the Shareholders;
- IFRS 2 reserve at December 31, 2021, amounted to Euro 6,563 thousand, which includes both the valuation of the Second Cycle (2021) of the 2020-2022 General Share Plan and the 2021-2023 LTI Plan. The Reserve reported a net decrease of Euro 4,825 thousand for the year. The movements refer to accruals in 2021 of Euro 8,037 thousand, reductions for utilization of Euro - 6,788 thousand following both the delivery to beneficiaries of the shares allocated under the 2017-2019 Restricted Stock Plan, the financial effects of which had already been recognized in previous years, and for which, on a prudent basis, it was decided to suspend this allocation in the previous year, and to the beneficiaries of the First Cycle (2020) of the General Share Plan and a further reduction for adjustments to prior year values for Euro 6,074 thousand.

  The adjustments mainly take account of the proceeds related to the 2019-2021 LTI plan where there were rights to receive Maire Tecnimont shares free of charge during the period 2019-2021, which were actually granted based on meeting certain conditions of industrial performance assessed both annually and at the end of the period in question. In the previous years the vesting conditions of the benefits were assessed as probable and therefore included under personnel expense, but in view of the recent industrial performances concluding with the 2021 year these expectations were no longer valid and consequently no accrual was made for the final year of the plan and income was recognized for previous years.

  These are equity-settled plans in that Maire Tecnimont S.p.A. granted equity instruments as additional compensation for services received (i.e. employment) and took on no liability to be settled in cash or with other assets granted to employees. Given the impossibility to reliably estimate the fair value of the services received from the employees, the benefit cost to the employees is represented by the fair value of the shares granted, calculated at the grant date, to be recognized in the income statement under personnel costs and in a specific "IFRS 2 reserve" under equity.
- Other reserves at December 31, 2021, amounted to a negative Euro 18,314 thousand.
- Treasury shares in portfolio equal to Euro 515 thousand; during the year Maire Tecnimont S.p.A. purchased treasury shares in implementation of the Shareholders' Meeting resolution to service the remuneration and incentive plans based on Maire Tecnimont shares adopted by the Company. As part of the share buy-back program, between April 21, 2021 and April 28, 2021 inclusive, 2,100,000 treasury shares were acquired (corresponding to 0.64% of the total number of ordinary shares), at an average weighted price of Euro 2.609, for a total amount of Euro 5,479,356.80, and the program was therefore completed. Subsequently, 1,239,528 shares from the 2017-2019 Restricted Stock Plan were delivered to beneficiaries of the Program and an additional 663,126 shares were delivered to beneficiaries of the First Cycle (2020) of the General Share Plan. At December 31, 2021, the Company therefore held a residual 197,346 treasury shares for total consideration of Euro 515 thousand, to be utilised for the subsequent cycle of the multi-year general share plan.

It should be noted that the legal reserve includes a tax-suspension restriction for fiscal purposes in the amount of Euro 1,818 thousand. This restriction satisfies the condition set out by Decree Law No. 104/2020 Article 110, paragraph 8, for the tax recognition of the higher values recorded in the financial statements of the Tecnimont and KT-Kinetics Technology trademarks of indefinite useful life. In this regard, in 2021 Maire Tecnimont S.p.A. exercised the option to realign the fiscal values of these trademarks with their greater carrying values as allowed under Article 110, paragraphs 8 and 8-bis, of Decree Law 104/2020. The realignment will determine, against payment of a substitute tax of 3%, the deduction in 50 years, as from 2021, of the tax amortization of the realigned value and will generate benefits in terms of IRES.

In 2021, Maire Tecnimont S.p.A. paid one of the three instalments of substitute tax due and the remaining two instalments will be paid in 2022 and 2023, respectively, for a total of Euro 37 thousand.

VALUATION RESERVE

The valuation reserve, which at December 31, 2021 was negative and amounted to Euro 1 thousand, consists of Euro 102 thousand from the positive Cash Flow Hedge reserve, which was partially offset by Euro 103 thousand from the negative reserve for actuarial gains and losses as per IAS 19.

The changes compared to the previous year are shown below:

(in Euro thousands)	Cash Flow Hedge Reserve	Actuarial gains/(loss)	Total
Net book value at December 31, 2020	(1,123)	(105)	(1,228)
Actuarial gain/(losses)		3	3
Relative tax effect		(1)	(1)
Valuation derivative instruments	1,612		1,612
Relative tax effect	(387)		(387)
Net book value at December 31, 2021	102	(103)	(1)

The Cash Flow Hedge Reserve includes the valuation of the Interest Rate Swap (IRS) derivatives to hedge the exposure to the risk of variable interest rates on a portion of the loan signed by Maire Tecnimont S.p.A. for Euro 365 million, 80% of which is backed by SACE's Garanzia Italia (Italy Guarantee).

RETAINED EARNINGS/(ACCUM. LOSSES)

Last year's balance of retained earnings of Euro 47,456 thousand has been reduced to zero as a result of the use of Euro 13,202 thousand to cover the 2020 loss and of the remaining Euro 34,254 thousand being used for the dividend distribution approved by the Shareholders;

In relation to the equity reserves the following is noted:

AVAILABILITY OF RESERVES FOR DISTRIBUTION

(in Euro thousands)	2021	Possibility of use	Quota available
Share capital	19,920		-
Share premium reserve	272,921	A,B,C	272,921
Legal reserve	5,328	B	-
Extraordinary reserve	117,682	A,B,C	117,682
Other reserves - Ifrs 2 (*)	6,563	B	-
Other reserves	(18,314)		-
Valuation reserve	(1)		
Retained Earnings/(Accum. Losses)	0	A,B,C	0

Key:

A: for share capital increase

B: to cover losses

C: for distribution to shareholders

Note: (*) In accordance with Article 6, paragraph 5 of Legislative Decree No. 38 of 2005 these reserves are only available to cover losses with prior utilization of the profit reserves available and the legal reserve. In this case the above-mention reserves must be reintegrated covering the retained earnings.

Summary of Utilizations in Last 3 Years

(in Euro thousands)	To cover losses	Distribution	Transfer to other reserves	Other
Share capital				
Share premium reserve				
Legal reserve				
Extraordinary reserve		3,867		
Other reserves				

42.16. Financial payables - non-current portion

(In Euro thousands)	2020	Changes in year	2021
Bank payables beyond 12 months	427,200	(51,704)	375,496
Total	**427,200**	**(51,704)**	**375,496**

Net of the current portion, financial debt totaled Euro 375,496 thousand, down Euro 51,704 thousand from December 31, 2020, due mainly to the reclassification as short term of portions of financing with a nominal value of Euro 365 thousand, 80% of which is backed by SACE's Garanzia Italia (Italy Guarantee).

At December 31, 2021, financial debt net of the current portion was composed as follows:

- Euro 320,818 thousand from the loan backed for 80% by SACE's "Italy Guarantee", net of related ancillary charges, with an initial nominal value of Euro 365 million (Euro 365,175 thousand at 31 December 2020).

  On July 8, 2020, Maire Tecnimont S.p.A. signed a loan agreement for Euro 365 million, 80% of which was backed by SACE's "Garanzia Italia" (Italy Guarantee), and disbursed by a syndicate of leading Italian financial institutions comprising Banco BPM, Cassa Depositi e Prestiti, Intesa Sanpaolo and Unicredit. The loan mainly supported the working capital needs of the parent company Maire Tecnimont and its main operating companies in Italy, in line with the provisions of the Liquidity Decree of April 9, 2020 and has a total duration of 6 years, of which 2 years grace period and a rate of 1.7% per annum, plus the cost of SACE's Italy Guarantee. The financing, with extremely flexible features - as it can be repaid in whole or in part at any time without additional cost - was also undertaken to cope with the volatility of the markets caused by COVID-19.

  The loan includes covenants in line with normal business practice for such operations; specifically, the loan's financial covenants concern the ratio between the net financial position and net equity, as well as between the net financial position and EBITDA on a half-yearly basis, with next measurement on the FY 2021 figures.

- For Euro 54,678 thousand of the ESG-linked Schuldschein loan attributable to Maire Tecnimont, net of the related additional charges, with a nominal value of Euro 62.5 million (Euro 62,025 thousand at December 31, 2020).

  In 2019, Maire Tecnimont made a further commitment to its Green Acceleration project, launched in 2018, by taking out a loan to support Group investments in green technologies. The instrument is divided in two tranches (Euro 7.5 million maturity in 2022 and Euro 55 million maturity in 2024) with an average duration of approximately 5 years, total repayment at maturity, and an average rate of approximately 2.3%. The cost of the instrument may also vary – including downwards – in relation to the achievement of the Group's CO_2 emission reduction targets.

The bonds are supported by covenants in line with market practice; specifically, the bond covenants regard the maintenance of a ratio between the net financial position and EBITDA on a yearly basis, with the next measurement based on the figures at December 31, 2021.

42.17. Provisions for charges - beyond 12 months

(In Euro thousands)	2020	Changes in year	2021
Provisions for charges beyond 12 months	2,073	(2,073)	0
Total	**2,073**	**(2,073)**	**0**

Provisions for charges beyond 12 months have fallen to zero due to the combined effect of reclassifications to provisions for risks and charges within 12 months for the portion of the MBO bonus allocated last year and of the release of the severance-indemnity provision for the Maire Tecnimont Chief Executive Officer.

The following table indicates the movements in provisions in 2021:

(In Euro thousands)	Balance at December 31, 2020	Provisions	Utilizations	Reclass. /Releases	Balance at December 31, 2021
Provision for personnel charges	2,073	0	0	(2,073)	0
Total	**2,073**	**0**	**0**	**(2,703)**	**0**

42.18. Post-employment & other employee benefits

(In Euro thousands)	2020	Change in the year	2021
Post-employment & other employee benefits	525	(26)	498
Total	**525**	**(26)**	**498**

The company has a liability to all employees of the Italian companies of the statutory TFR (Post-employment benefit) provision, similar to defined benefit plans.

In accordance with IAS 19 (Employee benefits), the company estimated, with the support of an actuary, the liability for defined benefit plans at December 31, 2021.

The changes in this liability in 2021 are shown below:

(In Euro thousands)	POST-EMPLOYMENT BENEFIT PROVISION
Balance at December 31, 2020	**525**
+ costs relating to current employee services	0
+ net actuarial losses/(profits)	(4)
+ financial charges on obligations undertaken	(2)
+ other changes	29
- utilization	(50)
Balance at December 31, 2021	**498**

Financial expenses on obligations assumed are recognized in the Income Statement under financial expenses - other charges. Actuarial gains and losses and recognized in a specific valuation reserve under Equity. The changes primarily relate to departures of employees.

The methods used are the same as those of the previous year, and the assumptions made in measuring post-employment benefits concern:

- Inflation: With reference to the first assumption, based on an examination of the macroeconomic scenario presented in the most recent Economic and Financial Document and Update Note with respect to the date of intervention, an annual rate of 1.5% was adopted;
- Salary increases: with reference to the salary increases, in line with that for the demographic technical bases, new salary line accounts were created for the companies which do not deposit the Employee Leaving Indemnity Provision with the INPS Treasury Fund; a salary growth rate of 3% annually was assumed for all employees, including inflation;
- Discount rate: determined with reference to bond market rates of primary companies at the valuation date. Specifically, the “Composite” interest rate curve of corporate issuers with “Investment Grade” AA ratings in the Eurozone was utilized (source: Bloomberg) at 31.12.2021.
- Workforce reference: for the internal workforce subject to analysis of Maire Tecnimont S.p.A., the average age and length of service were respectively 44.0 and 9.8 years.

Sensitivity analysis was also undertaken based on the changes in the following parameters: a) discount rate, b) inflation rate, c) salary increase, d) probability of departure and advances on Post-employment benefit provision; on the basis of these analyses, the range of values of the liabilities for defined benefit plans was established which did not highlight any significant impacts.

In relation to the liabilities at December 31, 2021, a change of +0.5% in the discount rate applied to the calculation would produce a positive effect equal to Euro 22 thousand and in the same manner a change of -0.5% would produce a negative effect of Euro 23 thousand. A change of +0.5% in the inflation rate applied to the calculation would produce a negative effect of Euro 14 thousand and in the same manner a change of -0.5% would produce a positive effect of Euro 13 thousand. A change of +/-0.5% in salary increases applied to the calculation would have an immaterial effect. A change of +0.5% in the employee turnover rate would produce a positive effect of Euro 2 thousand and in the same manner a change of -0.5% would produce a negative effect of Euro 2 thousand. A change of +0.5% in the post-employment benefits advance rate would produce a positive effect of Euro 2 thousand and in the same manner a change of -0.5% would produce a negative effect of Euro 2 thousand.

42.19. Other non-current liabilities

(In Euro thousands)	2020	Change in the year	2021
Tax payables beyond 12 months	0	19	19
Total	**0**	**19**	**19**

This refers to the substitute tax pursuant to Article 110, paragraphs 8 and 8-bis, of Decree Law 104/2020, which Maire Tecnimont will have to pay in 2023.

42.20. Financial instruments - Derivatives (Non-current liabilities)

(In Euro thousands)	2020	Change in the year	2021
Financial instruments - Interest rate hedging derivatives	1,027	(1,027)	0
Total	**1,027**	**(1,027)**	**0**

The accounts refers to the valuation of the Interest Rate Swap (IRS) derivatives to hedge the exposure to the risk on variable interest rate movements on a portion of the loan signed by Maire Tecnimont S.p.A. for Euro 365 million, 80% of which is backed by SACE's Garanzia Italia (Italy Guarantee), a portion of which, at December 31, 2021, following trends in interest rates, has been categorized as a short-term liability, while another portion has been categorized as non-current asset derivative instruments.

42.21. Other non-current financial liabilities

(In Euro thousands)	2020	Changes in year	2021
Ordinary bonds within one year	183,572	(19,540)	164,032
Total	**183,572**	**(19,540)**	**164,032**

Other non-current financial liabilities at December 31, 2021, amount to Euro 164,032 thousand, a decrease of Euro 19,540 thousand compared to December 31, 2020, as a result of exercising the option for the voluntary early redemption of the 2017-2023 Bond in the amount of Euro 20 million subscribed by Amundi Asset Management in April 2017 with a contractual maturity of 2023.

"Other non-current financial liabilities" include Bond payables:

- For Euro 164,032 thousand, the non-convertible Bond Loan for a total Euro 165 million, net of accessory charges, issued in 2018 (Euro 163,637 thousand at December 31, 2020).

In this regard, we report the following:

On May 3, 2018, Maire Tecnimont issued 165,000 Non-Convertible Bonds at a price equal to 100% of the nominal value, and with a unitary minimum value of Euro 1,000 (thousand), for a total of Euro 165 million. The Bond interest rate is 2.625% annually, with interest paid on a deferred basis on April 30 and October 31 of each year, from October 31, 2018. The Bonds shall be settled at the nominal value on April 30, 2024 where not previously settled or cancelled.

The Bond issue terms and conditions stipulate incurrence-type covenants regarding the debt level; specifically, the bond financial covenants require the maintenance of a stated net financial position/EBITDA ratio, measured annually and next measured on the December 31, 2021 figures.

Maire Tecnimont is currently not aware of any default situations of the above-mentioned covenants, which have been complied with to date.

42.22. Financial liabilities - Leasing

(In Euro thousands)	2020	Increases	Decreases	Interest	Payments	2021
Financial liabilities - Leasing	2,782	4,576	(12)	152	(871)	6,627
Total	**2,782**	**4,576**	**(12)**	**152**	**(871)**	**6,627**
of which:						
Non-current financial liabilities - Leasing	*2,139*					*5,917*
Current financial liabilities - Leasing	*643*					*710*
Total	***2,782***					***6,627***

The value of current and non-current financial leasing liabilities related to Right-of-Use at December 31, 2021 was Euro 6,627 thousand, of which Euro 710 thousand short term and Euro 5,917 thousand beyond 12 months.

The lease liabilities are valued on recognition, discounting all future payments due for leases utilizing the implied lease rate, where this may easily be determined or alternatively utilizing the lessee's incremental borrowing rate. The lessee's incremental financing rate is based on the Company's incremental financing rate, i.e. the rate that the Company would have to pay to borrow the funds needed to purchase an asset of similar value in a similar financial context and with similar terms and conditions.

In 2021, the changes mainly relate to the payment of scheduled installments, interest accrued and new contracts entered into during the year net of early closure of contracts.

The account was recognized following the introduction of the IFRS 16 standard and mainly concerns the financial liabilities related to the usage rights for the Company's office buildings, some key assets, and also motor vehicles.

The following table analyses the breakdown and maturities of lease liabilities carried as at December 31, 2021 presented according to future cash flows, inclusive of interest:

(In Euro thousands)	2021
Current financial liabilities - Leasing	907
Non-current financial liabilities - Leasing	7,510
Total	**8,417**

(In Euro thousands)	Due within 1 year	Due between 1 & 5 years	Due beyond 5 years	Total
Financial liabilities - Leasing	907	2,717	4,793	8,417
Total	**907**	**2,717**	**4,793**	**8,417**
Of which Capital portion				*6,627*

42.23. Short-term financial payables

(In Euro thousands)	2020	Changes in year	2021
Bank payables	970	52,232	53,201
Total	**970**	**52,232**	**53,201**

Current financial debt totaled Euro 53,201 thousand, up Euro 52,232 thousand from December 31, 2020, due mainly to the reclassification as short term of portions of financing with a nominal value of Euro 365 thousand, 80% of which is backed by SACE's Garanzia Italia (Italy Guarantee), and a portion of the ESG-linked Schuldschein loan.

At December 31, 2021, short-term bank payables mainly refer to the current portion of non-current debt:

- for Euro 44,900 thousand the current capital portion of the loan backed by a SACE Italy Guarantee for 80% of the amount with an initial nominal value of Euro 365 million granted to Maire Tecnimont S.p.A.;
- for Euro 7,477 thousand the current capital portion of a tranche of the ESG-linked Schuldschein Loan granted to Maire Tecnimont with an initial nominal value of Euro 62.5 million;
- Euro 824 thousand in interest due on loans and bonds and bank overdrafts matured and not yet paid amount.

The estimate of the "fair value" of these financial instruments, calculated as indicated in the accounting policies section, at December 31, 2021 substantially approximated their book value.

The breakdown by maturity of the gross financial debt is reported in the financial risks section.

42.24. Provisions for charges within 12 months

(In Euro thousands)	2020	Changes in year	2021
Provisions for charges - within 12 months	194	7,915	8,109
Total	**194**	**7,915**	**8,109**

The provision for charges within 12 months amounts to Euro 8,109 thousand and concerns the estimated costs for remuneration and incentive policies due within 12 months, mainly referring to the flexible benefits plans ("Maire4You") and the participation bonus pertaining to 2020 and to the MBO Plan.

The increase for the period is essentially due to an increase in the workforce compared to 2020 and to the reclassification of the MBO Plan to short-term from long-term.

The following table indicates the movements in provisions in 2021:

(In Euro thousands)	Balance at December 31, 2020	Provisions	Utilizations	Reclass. /Releases	Balance at December 31, 2021
Provision for personnel charges	194	6,618	(446)	1,743	8,109
Total	**194**	**6,618**	**(446)**	**1,743**	**8,109**

42.25. Tax payables

(In Euro thousands)	2020	Changes in year	2021
Tax payables	596	2,420	3,016
Total	**596**	**2,420**	**3,016**

Tax payables amount to Euro 3.016 thousand and concern:

- for Euro 2,373 thousand corporate income taxes (IRES) payable for the Group's tax consolidation in relation to Maire Tecnimont S.p.A., which in the prior year, as described above in the note concerning current tax assets, presented a receivable balance and which, at December 31, 2021, following an increase in the estimated tax expense for 2021, was greater than the advance tax payments made.
- the substitute tax pursuant to Article 110, paragraphs 8 and 8-bis, of Decree Law 104/2020, in the amount of Euro 18 thousand, which Maire Tecnimont will have to pay in 2022;
- tax payables in the amount of Euro 643 thousand for employee IRPEF.

42.26. Financial instruments - Derivatives (Current liabilities)

(In Euro thousands)	2020	Change in the year	2021
Financial instruments - Interest rate hedging derivatives	452	(37)	415
Financial instruments - Total Return Equity SWAP (TRES) derivatives	8,103	(7,964)	139
Total	**8,554**	**(8,001)**	**553**

Current derivative financial instrument liabilities at December 31, 2021 amount to Euro 553 thousand and refer to:

- Euro 415 thousand concerns the valuation of the current portion of the Interest Rate Swap (IRS) derivatives to hedge the exposure to the risk of variable interest rates on a portion of the loan signed by Maire Tecnimont S.p.A. for Euro 365 million, 80% of which is backed by SACE's Italy Guarantee.
- Euro 139 thousand concerns the negative fair value of the residual portion of a cash-settled Total Return Equity Swap derivative instrument (TRES); to hedge against movements in the Maire Tecnimont share price essentially tied to the personnel incentive plans in place. The residual portions of the instruments as at December 31, 2021 hedged the risk relating to approx. 2.1 million shares. The derivative contract (TRES) was underwritten with a financial intermediary, with no obligation for Maire Tecnimont to acquire the treasury shares, but only the obligation for the settlement between the parties of the differential between the exercise price and the Maire Tecnimont share price on the maturity of the instruments. Contractual maturity is December 31, 2022. For accounting purposes, the TRES cannot be designated as a hedging derivative instrument

and is valued, in accordance with IFRS 9 at fair value, with the related changes recorded in the income statement.

For further information and analysis of the Fair Value Hierarchy, reference should be made to the "FINANCIAL RISKS" section.

42.27. Other current financial liabilities

(In Euro thousands)	2020	Change in the year	2021
Other current financial liabilities	214,540	(42,684)	171,856
Payable to subsidiaries	248,000	(65,000)	183,000
Total	**462,540**	**(107,684)**	**354,856**

Other current financial liabilities of Euro 171,856 thousand concern payables to subsidiaries for current accounts, while in 2018, the company adopted the cash pooling system to streamline the management of Group cash flows, avoiding the dispersion of liquidity and minimizing financial charges. The cash pooling account receivables are interest bearing, in accordance with market rates.

Payables to subsidiary companies for intercompany loans amount to Euro 183,000 thousand and refer to payables to TCM-KT JV S.r.l. of Euro 70,000 thousand and payables to KT S.p.A. of Euro 113,000 thousand.

These loans were principally received in order to grant loans to other Group companies requiring liquidity for ordinary operating activities, as well as for the working capital management of Maire Tecnimont S.p.A.. All loans are interest-bearing at market rates and maturity is scheduled within the subsequent year.

The following table reports the company's net financial debt at December 31, 2021 and December 31, 2020, in line with Consob communication No. DEM/6064293/2006 of July 28, 2006:

NET FINANCIAL DEBT MAIRE TECNIMONT			
	In Euro thousands	**31.12.2021**	**31.12.2020**
A.	Cash	(156,852)	(265,432)
B.	Other liquidity	-	-
C.	Other current financial assets	(184,182)	(141,438)
D.	**Liquidity (A+B+C)**	**(341,035)**	**(406,870)**
E.	Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	356,529	472,255
F.	Current portion of non-current bank payables	52,377	-
G.	**Current financial debt (E+F)**	**408,907**	**472,255**
H.	**Net current financial debt (G-D)**	**67,872**	**65,385**
I.	Non-current financial debt (excluding current portion and debt instruments)	381,412	429,339
J.	Debt instruments	164,032	183,572
K.	Trade payables and other non-current payables	-	-
L.	**Non-current financial debt (I+J+K)**	**545,445**	**612,911**
M.	**Total Financial Debt (H+L)**	**613,317**	**678,296**

The following table presents the reconciliation between the net financial debt and the net financial position of the company at December 31, 2021 and December 31, 2020:

RECONCILIATION NFD & NFP			
	In Euro thousands	**31.12.2021**	**31.12.2020**
M.	**Total Financial Debt**	**613,317**	**678,296**
	Other non-current financial assets	(282,311)	(320,742)
	Derivative financial instruments	(134)	1,478
	Finance lease payables IFRS 16	(6,627)	(2,782)
Adjusted Net Financial Position		**324,245**	**356,251**

42.28. Trade payables

This account amounts to Euro 10,302 thousand and decreased on the previous year Euro 1,918 thousand.

(In Euro thousands)	2020	Changes in year	2021
Suppliers - within 12 months	5,242	(733)	4,508
Subsidiaries - within 12 months	6,899	(1,178)	5,721
Parent companies - within 12 months	85	(7)	79
Total	**12,226**	**(1,918)**	**10,308**

Payables to suppliers of Euro 4,508 thousand concern trade payables for ordinary operations.

Payables to subsidiary companies amount to Euro 5,721 thousand, decreasing on the previous year, and refer to interest payable on loans received from subsidiaries,

in particular, from Tecnimont S.p.A. and Tecnimont-KT JV S.r.l. and from other services received; Maire Tecnimont structurally benefits from certain services, including the availability of space in buildings,

related services (general services, facilities, security, equipment) and other services in AFC and personnel management.

Payables to parent companies for Euro 79 thousand relate to the payable to G.L.V. Capital S.p.A..

42.29. Other current liabilities

(In Euro thousands)	2020	Changes in year	2021
Payables due to social security institutions	880	140	1,020
Matured by personnel, not yet settled	424	162	585
Other payables	6,264	32,893	39,157
Total	**7,568**	**33,195**	**40,762**

Other current liabilities at December 31, 2021 amount to Euro 40,762 thousand, increasing Euro 33,195 thousand on December 31, 2020.

The account concerns Social Security Institution payables, those matured by personnel and other various payables. Other payables in the amount of Euro 39,157 thousand concern amounts payable to subsidiaries for group VAT. This is an increase of Euro 32,983 thousand from the previous year and mainly concerns the VAT payable to the subsidiary Tecnimont S.p.A.

Again in 2021 a number of Group companies renewed the tax consolidation, transferring their VAT settlement credit balances to the consolidating Maire Tecnimont S.p.A.

Public grants in accordance with Law No. 124/2017

With regards to the rules on the transparency of public grants as per Article 1, paragraphs 125-129 of Law No. 124/2017, as subsequently amended by Article 35 of Decree-Law No. 34/2019 ("Growth Decree"), published in Italy's Official Journal no. 100 of April 30, 2019, Maire Tecnimont analyzed its situation and decided to present in this paragraph the amounts received in 2021 in the form of contributions and grants:

- As part of funded training plans, Euro 24 thousand was received from Fondimpresa.

See the National register of State Aid for the de minimis state aid included for the Company Maire Tecnimont.

43. Commitments and contingent liabilities

Maire Tecnimont S.p.A financial guarantees at December 31, 2021 and December 2020 were as follows:

(In Euro thousands)	2021	2020
Guarantees granted in the interest of the Group		
Sureties issued by third parties in favor of third parties	173,970	168,223
Total commitments	**173,970**	**168,223**

Sureties issued in favor of third parties concern those in favor of the Milan Polytechnic for a 15-year agreement and the Lazio/Lombardy Regional Tax Agency and Provincial Section II of the Rome/Milan Large Contributions Office for Repayments and Offsets for Group VAT, in addition to the Advance and Performance and Warranty Bond issued in the interest METNEWEN MEXICO S.A., MST S.p.A., MT Russia, NEXTCHEM S.p.A. Tecnimont Planung Industrieanlagenbau GmbH, Tecnimont S.p.A., and TRANSFIMA GEIE, respectively for the Energia Limpia de Amistad, Beni Stabili/COVIVIO, Terna Rete Italia, Cattolica di Milano University, AGPP AMUR and Kingisepp 2, ENI Raffineria in Mestre, TOTAL Raffinage France FEED Biodiesel, TOTAL Corbion FEED Evolution Project, KOS LDPE/EVA KazanorgSintez, Centro Trattamento Olii Tempa Rossa, and INFRA.TO Metropolitana Automatica di Torino orders.

Other commitments of Euro 14,451,534,449 thousand concern "Parent Company Guarantees" issued in favor of clients of Subsidiaries, in relation to commitments undertaken in the execution of core operations and therefore orders undertaken.

These commitments, which involve the undertaking of an obligation to complete, guarantee contracts whose total value amounts includes works already executed and the residual backlog at December 31, 2021.

"Other Unsecured Guarantees" residually concern other guarantees (letters of Patronage) in favor of banks in the interest of some subsidiaries, principally Tecnimont S.p.A.. and KT Kinetics Technology SpA..

44. Related party transactions

In view of the transactions carried out by Maire Tecnimont in 2021, related parties principally concern:

- from group and associated companies (Tecnimont S.p.A., KT-Kinetics Technology S.p.A., Neosia Renewables S.p.A., MST S.p.A., Stamicarbon B.V., MET Gas Processing Technologies S.p.A., Met Development S.p.A., Met Dev 1 S.r.l., Nextchem S.p.A., Cefalù 20 S.c.a.r.l.; TCM do Brasil, OOO MT Russia, TPI, TCM-KT JV S.r.l, Met T&S Limited, Tecnimont USA Inc., Tecnimont Nigeria, Tecnimont Philippines, Tecnimont Arabia Ltd);
- from the parent company G.L.V Capital S.p.A. and from the consolidation scope of Maire Investments S.p.A., a company directly held by the majority shareholder G.L.V. Capital S.p.A.;
- from the Maire Tecnimont Foundation;
- from Luigi Alfieri, Director of Maire Tecnimont S.p.A.

Commercial contract payables refer to the lease of the properties housing the Company's offices, particularly the office on Piazzale Flaminio (Rome), the use of the "Maire" trademark and other minor recharges (relations with GLV Capital S.p.A.); dealings with the Maire Investments Group mainly for the purchase of administrative and other general services.

Maire Tecnimont structurally benefitted from services provided by Tecnimont S.p.A, specifically the availability of office spaces, in addition to the provision of other related services (general services, facilities, security, equipment) and other AFC services from the subsidiary KT.

Financial contract payables refer to payables for financing received (TCM-KT JV S.r.l. and KT-Kinetics Technology S.p.A.). The loans are interest-bearing at market rates.

Financial contract receivables concern the loans granted to the subsidiaries (Tecnimont S.p.A., KT-Kinetics Technology S.p.A., Neosia Renewables S.p.A., Met Development S.p.A. Met Dev 1 S.r.l., MST S.p.A., MET Gas Processing Technologies S.p.A., TCM Filippine, TCM Nigeria, Nextchem S.p.A.) for the management of their operating activities. All loans are interest-bearing at market rates.

The balances of bank current accounts payable and receivable arise from the cash pooling contract adopted by Maire Tecnimont S.p.A to which several Group companies have subscribed; interest accrues on the balances at market rates.

Commercial contract receivables principally concern services provided by Maire Tecnimont S.p.A. in favor of the subsidiaries the administrative, tax and legal service and the recharge of a number of costs incurred on behalf of the subsidiaries.

The residual balances are payables arising under the tax consolidation agreement (Tecnimont S.p.A., KT-Kinetics Technology S.p.A., Neosia Renewables S.p.A., MET Gas Processing Technologies S.p.A., MST S.p.A., Met Development S.p.A. Met Dev 1 S.r.l. TCM-KT JV S.r.l.) and payables and receivables arising following the VAT consolidation (MST S.p.A., Neosia Renewables S.p.A., Tecnimont S.p.A., KT-Kinetics Technology S.p.A., MET Gas Processing Technologies S.p.A., Met Development S.p.A., TCM-KT JV S.r.l., Cefalù 20 S.c.a r.l).

The Maire Tecnimont Foundation established on February 4, 2021 on the initiative of the Maire Tecnimont Group, in order to carry out initiatives for the promotion of culture, research, training and Corporate Social Responsibility.

The relationship with Luigi Alfieri, Non Independent Director of Maire Tecnimont S.p.A., refers to an annual contract for assistance and consulting services in the financial field.

The Company's receivables/payables and cost/revenue transactions with related parties for 2021 are presented in the tables below:

(in Euro thousands) **31/12/2021**	Trade Receivables	Trade Payables	Financial Receivables	Financial Payables	Receivables (Payables) for VAT consol.	Receivables (Payables) for tax consol.	Receivables for excess IRES transferred	Receivables (Payables) for cash pooling	Revenues	Costs	Financial income	Financial expenses
Tecnimont S.p.A.	11,380	(2,615)	251,457		(37,656)	14,014	2,000	(124,886)	23,466	(4,205)	11,699	(115)
KT S.p.A.	4,110	(258)	74,293	(113,000)		4,269	300	(32,673)	7,982	(333)	2,845	(3,011)
Neosia Renewables S.p.A.	250		35,330		(179)	(862)	800	3,550			962	
Stamicarbon B.V.	222	(119)						(8,298)	217		8	(176)
Met Gas Processing Technologies S.p.A.	5		276		(10)	(24)		(288)	16		10	
G.L.V Capital S.p.A.		(75)								(659)		
MST S.r.l.	519	(24)	59,413		843	(939)		3,260	322	(214)	1,661	(8)
Met Development S.p.A.	9		14,000		(69)	(432)		2,064	65		371	(1)
Met Dev 1 S.r.l.	52		1,564			1,025	400				37	
OOO MT Russia	543								287		323	
TPI	15	(160)							8		1	
TCM France	46	(678)									11	
MET T&S LIMITED	61							5,712	7		46	
Cefalù S.c.a.r.l.	10				(108)		300				5	
Tecnimont Private Limited	573								5		88	
Tecnimont México									5			
Tecnimont USA Inc.	1								5			
Tecnimont Arabia Ltd	27								5		15	
TecnimontHQC Sdn. Bhd.	23											
Met Newen Mexico S.A. de C.V.	652								127		9	
Biolevano S.r.l.									4			
Cosorzio Turbigo 800									1			
Nextchem S.p.A	94	(129)	11,074					286		(120)	344	
TCM Nigeria	208		1,956								55	
TCM Philippines	8		637								8	
TCM-KT JV S.r.l.	(11)	(1,739)		(70,000)	(1,094)	1,277	400	(5,610)			63	(2,897)
kt india	1											
Esperia										(28)		
TCM/Valesstroy								(100)				
TCM Egypt	124								124			
Maire Tecnimont Foundation	13								11	(20)		
Luigi Alfieri		(34)										
Total	**18,935**	**(5,830)**	**449,999**	**(183,000)**	**(38,273)**	**18,328**	**4,200**	**(156,984)**	**32,656**	**(5,577)**	**18,561**	**(6,209)**

Remuneration of Directors, Statutory Auditors and Senior Executives is outlined below:

31/12/2021 *(In Euro thousands)*	**Remuneration**
Directors	7,289
Statutory Auditors	200
Total	**7,489**

The remuneration concerns emoluments and all other payments, pension-related or social security deriving from the role of Director or Statutory Auditor in Maire Tecnimont S.p.A..

The remuneration of Directors and Statutory Auditors and Senior Executives, appears in the 2021 Corporate Governance and Ownership Structure Report and the 2022 Remuneration Report, both available on the company website at www.mairetecnimont.it in the "Governance" section.

45. Financial risk management

For more complete disclosure on financial risks, reference should be made to the "FINANCIAL RISKS" section of the Explanatory Notes of the Consolidated Financial Statements of the Maire Tecnimont Group. Maire Tecnimont S.p.A`s ordinary operations are exposed to financial risks. Specifically:

- Credit risk, both in relation to normal commercial transactions with clients and financial activities;

- Liquidity risk, concerning difficulties in liquidating positions held within necessary timeframes or in sourcing operating funding;

- Market risk, relating to fluctuations in interest rates for financial instruments which generate interest;
- Default and debt covenant risk regarding the possibility that loan contracts include clauses permitting the lending Banks to request immediate repayment on the occurrence of certain events, resulting therefore in a liquidity risk.

Maire Tecnimont S.p.A constantly controls financial risks, anticipating potential negative impacts and undertaking appropriate corrective actions.

The following section provides qualitative and quantitative information on the impact of these risks on Maire Tecnimont S.p.A.. The following quantitative data may not be used for forecasting purposes. Market risks may not reflect the complexity and the related market reactions from any change in assumptions.

IFRS 7 requires that the classification of financial instruments measured at fair value is determined based on the quality of the input sources used in the measurement of the fair value (level 1, 2 and 3); the financial statements of Maire Tecnimont S.p.A. includes financial instruments measured at fair value.

45.1. Credit risk

Maire Tecnimont credit risk represents the exposure to potential losses following the non-fulfilment of obligations by counterparties. Credit risk stems from normal operations and is monitored by the operating and financial departments on the basis of set procedures, which establish the methods for quantifying and controlling client risk.

They are managed according to procedures, including credit recovery and dispute management. The maximum theoretical exposure to the credit risk for the Company at December 31, 2021 is the carrying value of the financial assets recorded in the accounts, and the nominal value of the guarantees given on debts and commitments to third parties. At December 31, 2021, Trade receivables within and beyond 12 months respectively were Euro 41,487 thousand and Euro 1,626 thousand. A summary of the trade receivables and the relative doubtful debt provisions is reported below:

(in Euro thousands)	Overdue at 31/12/2021				
	Not overdue	Up to 365 days	From 366 to 731 days	Over 731 days	Total
TRADE RECEIVABLES	34,116	4,396	2,479	496	41,487
OTHER NON-CURRENT ASSETS	526	0	0	1,100	1,626
Total trade receivables	34,642	4,396	2,479	1,596	43,113
Of which:					
Within 12 months (Note 42.9)					41,487
Beyond 12 months (Note 42.7)					1,626

(Euro thousands)	Overdue at 31/12/2020				
	Not overdue	Up to 365 days	From 366 to 731 days	Over 731 days	Total
TRADE RECEIVABLES	1,433	24,944	305	354	27,036
OTHER NON-CURRENT ASSETS	0	0	0	1,100	1,100
Total trade receivables	1,433	24,944	305	1,454	28,136
Of which:					
Within 12 months (Note 42.9)					27,036
Beyond 12 months (Note 42.7)					1,100

Other non-current assets overdue more than 731 days concern mainly disputed receivables from clients due beyond 12 months and specifically from the Calabria Region for Euro 1,100 thousand. With regards to this receivable, the arbitral award accepted most of the company's demands. The counterparty has proposed an appeal against the arbitral award and in 2013 the Catanzaro Court of Appeal nullified the award on the basis only of formal errors; the company therefore decided to challenge the judgement filed on May 6, 2013 and to appeal to the Cassation Court. The appeal was accepted with notification of 20/6/14; the Calabria Region did not make a counter appeal and the hearing date for discussion and subsequent decision is awaited. The above amount is currently considered recoverable on the basis of the strong grounds previously expressed in the arbitral award.

The trade receivables are all from subsidiaries and therefore are considered without credit risk.

For IFRS 9, the impairment requirements are based on an expected credit loss (ECL) model utilizing supporting information, available without unreasonable charges or effort, which includes historic, current and projected figures. The credit risk of the subsidiary counterparties was however assessed and found to be immaterial.

45.2. Liquidity risk

This risk concerns the difficulty in sourcing new funding or access to liquid assets, resulting in the enterprise's failure to satisfy payment commitments, being forced to incur additional funding costs or, in extreme instances, being faced with potential insolvency which may put its going concern at risk.

At the present moment, Maire Tecnimont considers that the good levels of liquidity held and prudent and functional management of the credit lines available are important elements for stability and sufficient to guarantee the resources necessary for operating continuity. The management of liquidity risk is based above all on the strategy of containing debt and maintaining financial equilibrium.

The cash and cash equivalents of Maire Tecnimont S.p.A at December 31, 2021 amounted to Euro 156,852 thousand, a decrease of Euro 265,432 thousand on December 31, 2020.

The following table analyses the breakdown and maturities of financial liabilities according to non-discounted future cash flows:

31/12/2021 *(in Euro thousands)*	Due within 1 year	Due between 1 & 5 years	Due beyond 5 years	Total
Financial debt - non-current portion	1,279	400,018	0	401,297
Other non-current financial liabilities	4,331	171,497	0	175,828
Short-term debt	64,775	0	0	64,775
Other current financial liabilities	358,963	0	0	358,963
Finance lease Liabilities - current and non-current	907	2,717	4,793	8,417
Financial instruments - Current and non-current derivatives	553	0	0	553
Total financial liabilities (current and non-current)	**430,809**	**574,232**	**4,793**	**1,009,833**

Future interest is estimated on the basis of existing market conditions at the preparation date of the financial statements.

The other inter-companies financial liabilities concern the payables to subsidiaries for loans and the payables to subsidiaries for current accounts; in 2018, Maire Tecnimont S.p.A. adopted the cash pooling system to streamline the management of Group cash flows, avoiding the dispersion of liquidity and minimizing financial charges. The maturity dates and the interest estimates are based on the residual contractual duration or the earliest date when payment may be demanded.

The portion of leasing financial liabilities "Beyond 5 years" is the value of the financial liability relating to the right-of-use assets recognized, primarily attributable to the properties in which the Company's offices are located.

45.3. Market risks

CURRENCY RISK

The Company is theoretically exposed to risks deriving from changes in the exchange rate although the amount of financial assets and liabilities in currencies other than the Euro which may impact the income statement or value of the net equity are minimal.

INTEREST RATE RISK

The Company is exposed to interest rate risk in relation to debt service costs.

The residual risk on the variable rate debt is in part mitigated by the fact that Group cash deposits are remunerated at interest rates indexed to the same debt parameter (Euribor).

45.4. Default and debt covenant risk

This concerns the possibility that loan contracts include clauses permitting the lending Banks and other lenders to request immediate repayment on the occurrence of certain events, resulting therefore in a liquidity risk.

In 2019, Maire Tecnimont made a further commitment to its Green Acceleration project, launched in 2018, by taking out a "ESG Linked Schuldschein Loan" to support Group investments in green technologies. The instrument is divided in two tranches with an average duration of approximately 5 years, total repayment at maturity, and an average rate of approximately 2.3%. The cost of the instrument may also vary – including downwards – in relation to the achievement of the Group's CO_2 emission reduction targets.

The bonds are supported by covenants in line with market practice; specifically, the bond covenants regard the maintenance of a ratio between the net financial position and EBITDA on a yearly basis, with the next measurement based on the figures on the FY 2021 figures.

On May 3, 2018, Maire Tecnimont issued 165,000 Non-Convertible Bonds at a price equal to 100% of the nominal value, and with a unitary minimum value of Euro 1,000 (thousand), for a total of Euro 165 million. The Bond interest rate is 2.625% annually, with interest paid on a deferred basis on April 30 and October 31 of each year, from October 31, 2018. The Bonds shall be settled at the nominal value on April 30, 2024 where not previously settled or cancelled.

The Bond issue terms and conditions stipulate incurrence-type covenants regarding the debt level; specifically, the bond financial covenants require the maintenance of a stated net financial position/EBITDA ratio, measured annually and next measurement based on FY 2021 figures.

On July 8, 2020, Maire Tecnimont S.p.A. signed a loan agreement for Euro 365 million, 80% of which was backed by SACE's "Garanzia Italia" (Italy Guarantee), and disbursed by a syndicate of leading Italian financial institutions comprising Banco BPM, Cassa Depositi e Prestiti, Intesa Sanpaolo and Unicredit. The loan will mainly support the working capital needs of the parent company Maire Tecnimont and its main operating companies in Italy, in line with the provisions of the Liquidity Decree of April 9, 2020 and will have a total duration of 6 years, of which 2 years grace period and a rate of 1.7% per annum, plus the cost of SACE's Italy Guarantee. The financing, with extremely flexible features, as it can be repaid in whole or in part at any time without additional cost, will contribute to strengthening the group's financial structure to cope with the volatility of the markets caused by Covid 19.

The loan includes covenants in line with normal business practice for such operations; specifically, the loan's financial covenants concern the ratio between the net financial position and net equity, as well as between the net financial position and EBITDA on a half-yearly basis, with next measurement based on the FY 2021 figures.

Maire Tecnimont is currently not aware of any default situations regarding the above-mentioned covenants. The bond covenants, which regard the maintenance of a ratio between the net financial position and net equity, as well as between the net financial position and EBITDA to be next measured based on FY 2021 figures, have been complied with according to the results currently available.

45.5. Derivative instruments and hedge accounting

The company utilizes derivative instruments to hedge against movements in the Maire Tecnimont share price, in view of the implementation of a buy-back program to satisfy the "Equity Settled" employee plans, as the Group has assigned its capital instruments as additional remuneration for services received (employment).

Maire Tecnimont S.p.A therefore subscribed cash-settled Total Return Equity Swap (TRES) derivative instruments, undertaken to hedge against movements in the Maire Tecnimont share price. For accounting purposes, the TRES derivative instruments cannot be designated as a hedging derivative instrument and are valued, in accordance with IFRS 9 at fair value, with the related changes recorded in the income statement.

The accounting of the hedging instruments differs depending on the objective of the hedge: cash flow hedges or fair value hedges.

Maire Tecnimont S.p.A. has Interest Rate Swap (IRS) derivatives to hedge the exposure to the risk of variable interest rates on a portion of the loan signed by Maire Tecnimont S.p.A. for Euro 365 million, 80% of which is backed by SACE's Garanzia Italia (Italy Guarantee).

Fair value calculation

The fair value of financial instruments is represented by the current market price or, in their absence the application of appropriate financial valuation models which take into consideration all the factors adopted by market operators and the prices obtained in a real market transaction.

In particular, the fair value of the TRES is measured discounting the expected cash flows, calculated on the basis of market interest rate at the reference date and the price of the underlying listed shares.

Cash flow hedge

The changes in the fair value of the derivative instruments which are designated, and which are efficient, to hedge future cash flows relating to the Company contractual commitments are directly recorded under Equity, while the non-efficient portion are immediately recorded in the Income Statement.

45.6. Classification of the financial instruments

IFRS 7 requires that the classification of financial instruments valued at fair value is determined based on the quality of the input sources used in the valuation of the fair value. The IFRS 7 classification implies the following hierarchy:

- Level 1: fair value calculation according to active market prices. Company instruments do not fall within this category;
- Level 2: fair value measurement according to market prices or similar assets or through measurement techniques for which all significant factors are directly or indirectly based on observable market data. Company instruments fall within this category.
- Level 3: fair value measurement according to valuation models whose input is not based on observable market data ("unobservable inputs"). Instruments whose value is based on models with inputs not directly based on observable market data are currently in place.

For all derivative instruments used by the Company, the fair value is calculated according to measurement techniques based on observable market parameters ("Level 2"); no transfers were made between Level 1 and Level 2 and vice versa.

As required, we report the type of financial instruments present in the financial statements, with indication of the accounting policies applied. The book value of financial assets and liabilities substantially coincide with their fair value.

At 31/12/2021 (in Euro thousands)	Loans and Receivables - Amortized Cost	Derivative Instruments - Fair value (*)	Derivative Instruments - Hedge Accounting - Fair Value (*)	Capital instruments - Fair Value OCI (**)	Total
Non-current financial receivables	282,311				282,311
Other non-current assets	1,100				1,100
Trade receivables	23,338				23,338
Financial instruments - Derivatives		1,222			1,222
Other financial assets	182,960				182,960
Other current assets	1,588				1,588
Cash	156,852				156,852
Total	**648,149**	**1,222**	**0**	**0**	**649,371**

(*) "Level 2" of the Fair-Value
(**) "Level 3" of Fair-Value

Values at 31/12/2020 (in Euro thousands)	Loans and Receivables - Amortized Cost	Derivative Instruments - Fair value (*)	Derivative Instruments - Hedge Accounting - Fair Value (*)	Capital instruments - Fair Value OCI (**)	Total
Non-current financial receivables	320,742				320,742
Other non-current assets	1,100				1,100
Trade receivables	27,036				27,036
Other financial assets	141,438				141,438
Other current assets	1,374				1,374
Cash	265,432				265,432
Total	**757,122**	**0**	**0**	**0**	**757,122**

(*) “Level 2” of the Fair-Value
(**) “Level 3” of Fair-Value

At 31/12/2021 (in Euro thousands)	Financial Liabilities - Amortized Cost	Derivative Instruments - Fair value (*)	Derivative Instruments - Hedge Accounting - Fair Value (*)	Total
Financial debt - non-current portion	375,495			375,495
Other non-current financial liabilities	164,032			164,032
Short-term debt	824			824
Finance lease Liabilities - current and non-current	6,627			6,627
Financial instruments – Derivatives		139	414	553
Other current financial liabilities	354,856			354,856
Trade payables	10,308			10,308
Other current liabilities	40,762			40,762
Total financial liabilities (current and non-current)	**952,904**	**139**	**414**	**953,457**

(*) “Level 2” of the Fair-Value

At 31/12/2020 (in Euro thousands)	Financial Liabilities - Amortized Cost	Derivative Instruments - Fair value (*)	Derivative Instruments - Hedge Accounting - Fair Value (*)	Total
Financial debt - non-current portion	427,200			427,200
Other non-current financial liabilities	183,572			183,572
Short-term debt	970			970
Finance lease Liabilities - current and non-current	2,782			2,782
Current and non-current financial instruments-derivatives		8,103	1,478	9,581
Other current financial liabilities	462,540			462,540
Trade payables	12,226			12,226
Other current liabilities	7,568			7,568
Total	**1,096,858**	**8,103**	**1,478**	**1,106,439**

(*) “Level 2” of the Fair-Value

The book value of financial assets and liabilities substantially coincide with their fair value.

46. Independent Audit Firm fees

The following table, prepared pursuant to Article 149 of the Consob Issuers' Regulations, reports the payments made in 2020 for services carried out by the audit firm.

Type of service *(in Euro thousands)*	Provider	Company	2021 Fees
Audit	PricewaterhouseCoopers S.p.A.	Maire Tecnimont S.p.A.	233
Certification services (*)	PricewaterhouseCoopers S.p.A.	Maire Tecnimont S.p.A.	4
Other services **	Pricewaterhousecoopers Network	Maire Tecnimont S.p.A.	400
	PricewaterhouseCoopers S.p.A.	Maire Tecnimont S.p.A.	61

The fees do not include VAT, expenses and any Consob oversight contribution repayments

(*) Certification services include the signing of tax declarations.

(**) The other services include the audit fee for the Sustainability Report - containing the Non-Financial Statement as per Legislative Decree 254/2016 and the fee for support with development of the in-country value method and the assignment for the methodological support in technical assistance for National and European Financing Programs.

47. Significant non-recurring events and operations

In 2021, the company did not execute any significant non-recurring operations in accordance with Consob Communication No. DEM/6064293 of July 28, 2006.

48. Transactions relating to atypical or unusual operations

In accordance with Consob Communication of July 28, 2006 No. DEM/6064293, the Company did not undertake any atypical and/or unusual operations, as defined in the communication.

49. Subsequent events after December 31, 2021

For significant events following year-end, reference should be made to the accompanying Directors' Report.

50. Statement on the financial statements as per Article 154-bis, paragraph 5 of Legislative Decree No. 58/98 and subsequent amendments and supplements

1. The undersigned Pierroberto Folgiero, as “Chief Executive Officer” and Dario Michelangeli as “Executive for Financial Reporting” of MAIRE TECNIMONT S.p.A. declare, and also in consideration of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:
   - the consistency in relation to the characteristics of the company.
   - the effective application of the administrative and accounting procedures for the compilation of the financial statements at December 31, 2021.
2. In addition, we certify that the financial statements:
   - are drawn up in conformity with the applicable international accounting standards recognized by the European Union in accordance with Regulation (CE) No. 1606/2002 of the European Parliament and the Commission of July 19, 2002;
   - correspond to the underlying accounting documents and records;
   - provide a true and correct representation of the balance sheet, financial situation and result for the year of the Issuer.
3. The Directors’ Report includes a reliable analysis on the performance and operating result, as well as the situation of the issuer, together with a description of the principal risks and uncertainties to which it is exposed.

This statement is provided also in accordance with Article 154-*bis*, paragraph 2 of Legislative Decree No. 58 of February 24, 1998.

Milan, February 25, 2022

The Chief Executive Officer	The Executive Officer for Financial Reporting
Pierroberto Folgiero	**Dario Michelangeli**

51. Board of Directors proposal

Dear Shareholders,

we consider that the financial statements of the company have been exhaustively outlined and we trust in your approval of the presentation and policies adopted for the 2021 financial statements, which report net income of Euro 73,740,963.58.

We therefore invite you to approve the Separate Financial Statements of Maire Tecnimont S.p.A. at December 31, 2021, which presents net income of Euro 73,740,963.58, comprising the income statement, the comprehensive income statement, the balance sheet, the statement of changes in shareholders' equity, the cash flow statement and the explanatory notes, presented in its entirety, with the individual entries and the proposed allocations, expressly including the provisions of Article 110, paragraphs 8 and 8 bis of Legislative Decree No. 104/2020.

As the legal reserve has reached one-fifth of the share capital in accordance with Article 2430 of the Civil Code, we invite you to approve the proposal to allocate the net income of Euro 73,740,963.58 as follows:

- for Euro 60,105,084.74 to be allocated to the Shareholders through the recognition of a dividend for each of the 328,443,086 ordinary shares in circulation, without par value, as of today and with dividend rights and, specifically, of a unitary dividend of Euro 0.183[9], gross of withholding taxes, for each share;
- the remaining Euro 13,635,878.84 to be allocated to retained earnings;

It is also proposed to settle the above dividend from April 21, 2022 ("payment date"), with dividend coupon of April 19, 2022 ("ex date"). Pursuant to Article 83-terdecies of Legislative Decree No. 58 of February 24, 1998, the entitlement to payment of the dividend is based on the records in the intermediary's accounts referred to in Article 83 quater, paragraph 3, of the same Legislative Decree No. 58/98, at the end of the accounting day of April 20, 2022 ("record date").

We invite you to authorize, in the event that before the coupon date indicated above the company undertakes transactions regarding the purchase and sale of treasury shares, the Chairperson of the Board of Directors and the Chief Executive Officer, also separately, may allocate to and/or withdraw from the proposed retained earnings the amount of the dividend to which such shares are entitled.

The proposed dividend also incorporates the recognition of that temporarily suspended in the recent past and the neutralization of the effects from the COVID-19 pandemic. With a greater than normal pay-out, the Board of Directors recognizes remuneration for shareholders who have supported the company even in a highly challenging period internationally, without jeopardizing the continuous strengthening of the capital base, which is crucial for operating competitively on the international markets.

Milan, February 25, 2022

For the Board of Directors

The Chairman

[9]The total proposed dividend amounts to Euro 60,105,084.74 for each share, taking into account the 197,346 treasury shares held in portfolio by Maire Tecnimont at February 25, 2022, date of approval of the proposal by the Board of Directors of the Company. In this regard, it should be noted that, subject to the amount of the unitary dividend, the total dividend amount may change depending on the number of treasury shares held in portfolio by the company at the ex-coupon date, consequently increasing or decreasing the amount to be allocated to retained earnings.

52. Board of Statutory Auditors’ Report

Board of Statutory Auditors’ Report to the Shareholders’ Meeting called to approve the Financial Statements at December 31, 2021 (Article 153, Legislative Decree No. 58/98)

Dear Shareholders,

The Board of Statutory Auditors of Maire Tecnimont S.p.A. (hereafter also “**Maire Tecnimont**” or the “**Company**”) in accordance with Article 153 of Legislative Decree No. 58/1998, Consolidated Finance Act (“**CFA**”) and Article 2429, paragraph 2 of the Civil Code, is required to report to the Shareholders’ Meeting on the results for the financial year and on the activities carried out in fulfilment of its duties, as well as report observations and proposals regarding the financial statements and their approval and on the matters within its scope.

During the year, the Board of Statutory Auditors carried out its supervisory duties in accordance with applicable regulations, taking account also of the conduct principles of the Italian Accounting Profession (*Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili*), the Consob provisions concerning corporate controls and Boards of Statutory Auditors’ activities, and the principles and recommendations of the Corporate Governance Code adopted by the Company.

For these purposes, in addition to attending the meetings of the Board of Directors, board committees and meetings of the independent directors of the company, the Board of Statutory Auditors also undertook the ongoing exchange of information with the Executive Officer for Financial Reporting, the heads of the administration, audit, legal affairs and contracts, compliance, risk management and sustainability reporting and sustainability management functions of the Company, with the Boards of Statutory Auditors of the main subsidiaries, with the Supervisory Board (“**SB**”) tasked with overseeing the efficacy, compliance and updating of the Organization, Management and Control Model for the purposes of Legislative Decree No. 231/01 of the Company and those of the main Italian subsidiaries, and with PricewaterhouseCoopers S.p.A. (“**PWC**”), the Designated Auditor tasked with the audit of the accounts and

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with verification of compliance regarding the Non-financial Statement as per Legislative Decree 254/2016 (the "**Non-Financial Statement**" or "**NFS**") and the issue of the relative report.

Appointment of the Board of Statutory Auditors

The Board of Statutory Auditors in office at the date of this report was appointed by the Shareholders' Meeting of April 29, 2019, and comprises:

Mr. Francesco Fallacara (Chairperson);

Ms. Antonia Di Bella (Statutory Auditor);

Mr. Giorgio Loli (Statutory Auditor).

Mr. Massimiliano Leoni, Ms. Alessandra Conte and Mr. Andrea Lorenzatti are Alternate Auditors.

The mandate of the Board of Statutory Auditors will conclude at the Shareholders' Meeting held to approve the financial statements at December 31, 2021, which is set for April 8, 2022, in first call, and April 11, 2022, if necessary, in second call.

The main offices held by the members of the Board of Statutory Auditors are also indicated in the "*Corporate Governance Ownership Structure Report 2021*" of the Company, drawn up as per Article 123-*bis* of the CFA, made available to the public in accordance with law on the website www.mairetecnimont.com and according to the other means set out by the applicable regulation.

The Board of Statutory Auditors reports that all of its members comply with Consob's regulations concerning the cumulative number of appointments permitted.

We report that the financial statements of the company at December 31, 2021, as approved by the Company's Board of Directors on February 25, 2022, were prepared in accordance with IAS/IFRS International Accounting Standards issued by the International Accounting Standards Board

(IASB) and endorsed by the European Union, in force at December 31, 2021, in addition to the provisions issued in enactment of Article 9 of Legislative Decree 38/2005.

We further report that the financial statements were prepared in compliance with the specifications required by EU Regulation No. 2019/815 ("**ESEF Regulation**") and, therefore, in the XHTML electronic format and presents, with specific reference to the consolidated financial statements of Maire Tecnimont at December 31, 2021, the Inline XBRL markings of the information according to the taxonomy indicated in the ESEF Regulation.

The separate financial statements and the consolidated financial statements at December 31, 2021, of Maire Tecnimont include the statements of compliance by the Chief Executive Officer and the Executive Officer for financial reporting.

Inter-company and related party transactions

In accordance with Article 2391-*bis* of the Civil Code and Consob motion
No. 17221 of March 12, 2010, enacting the *"Related parties transactions regulation"* (the "**RPT Regulation**"), the Board of Directors, on November 12, 2010, approved the *"Related parties transactions policy"* (the "**RPT Policy**"). Once approved, the RPT Policy has been regularly verified to ensure its relevance and has been updated as necessary by the Board of Directors.

In this regard, it should be noted that, on June 24, 2021, the Company's Board of Directors, having heard the favorable opinion of the Related Parties Committee, adapted the Company's RPT Policy to the RPT Regulation as amended by Consob motion No. 21624 of December 20, 2020, which transposes into secondary legislation Directive (EU) 2017/828 (the *"Shareholders' Rights Directive II"*), which, in turn, amends Directive 2007/36/EC with regard to the long-term engagement of shareholders. This updated RPT Policy went into effect on July 1, 2021.

It should also be noted that the RPT Policy adopted by the Company and updated on June 24, 2021,

(i) is consistent with the principles contained in the most recent version of the RPT Regulation in

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effect since July 1, 2021, and *(ii)* is available on the Company's website (www.mairetecnimont.com).

We attended the meetings of the Related Parties Committee, during which we reviewed the related party transactions undertaken in 2021, including for the purpose of issuing opinions in accordance with the RPT Policy.

More specifically, the Related Parties Committee was provided, semi-annually, with detailed information on the related party transactions carried out during the period under review and qualified as "exempt" in accordance with the RPT Policy. This information included the inter-company transactions and those with the parent or with companies of the majority shareholder, all of which were of an ordinary nature. These transactions related essentially to the provision of administrative services related to property management, which were categorized as exempt from the RPT Policy as either "inter-company" or "minor" transactions. Furthermore, all of the above transactions, in addition to being of an ordinary nature, were carried out at arm's length.

With regard to transactions for which the exemptions of the RPT Policy did not apply, it should be noted that all transactions analyzed were categorized as "minor" transactions in accordance with the RPT Policy. Having assessed the Company's interests in each transaction and the substantial fairness and the benefit of the conditions applied, the Related Parties Committee issued a non-binding, reasoned opinion in favor of such transactions.

It should also be noted that, in 2021, no "major" transactions, as defined by the RPT Policy, were carried out.

The Related Party transactions are indicated in the notes to the Financial Statements and to the Consolidated Financial Statements of the company, in which the operating and equity effects are also reported.

We verified compliance with the RPT Policy and the correctness of the process followed by the Board of Directors and the Committee charged with qualifying related parties and we have no matters to report.

Atypical or unusual transactions

The company did not undertake any atypical or unusual transactions as defined by Consob communication DEM/6064293 of July 28, 2006.

Impairment Test Procedure

In line with the Bank of Italy/Consob/ISVAP joint document of March 3, 2010, the Board of Directors on February 21, 2022, approved, independently and ahead of approval of the financial statements for the year ended December 31, 2021, the consistency of the impairment test procedure with international accounting standard IAS 36.

The Company carried out the impairment tests on the goodwill allocated to the "**Hydrocarbons**", "**Renewables & Infrastructure**", "**Licensing**" and "**Green Energy**" cash generating units (CGUs) for the annual reports of the Maire Tecnimont Group at December 31, 2021, and on the carrying value of equity investments recognized on the separate financial statements at December 31, 2021.

The Explanatory Notes to the Financial Statements at December 31, 2021, report information on and the outcomes of the assessment process carried out with the support of an expert.

The Board of Statutory Auditors considers that the impairment test policy adopted by the Company is adequate.

Board of Statutory Auditors' activities in 2021

In executing our activities:

> we verified compliance with the law and with the Company's By-Laws; in this regard, it should be noted that we also verified: i) observance of the provisions of the ESEF Regulation for the purposes of preparing the financial statements at December 31, 2021; and ii) observance of Regulation (EU) No. 2020/852 of June 18, 2020, and related Delegated Regulations ("**Taxonomy Regulation**") for the purpose of preparing the NFS

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included with the Group's Sustainability Report for 2021;

- we verified compliance with the principles of correct administration;
- we attended the meetings of the Board of Directors, the Control, Risks and Sustainability Committee, the Remuneration Committee, the Related Parties Committee and of the Independent Directors and obtained from the Directors periodic information, at least on a quarterly basis, on the general operating performance, on the outlook and on the major operating, financial and equity transactions carried out by Maire Tecnimont and the Group companies, verifying that the decisions undertaken and executed were not manifestly imprudent, risky, in potential conflict of interest, conflicting with the motions adopted by the Shareholders' Meetings or such as to compromise the integrity of the company's assets;
- we oversaw the adequacy of the organizational structure, including the process of defining and assigning responsibilities, of note also for how the organization has evolved. This included direct observations, gathering information from the heads of the various functions, and attending meetings of board committees. In this regard, the Board of Statutory Auditors considers the organizational structure of the company to be adequate to its needs and suitable to ensure respect for the principles of correct administration;
- we oversaw the adequacy and the functioning of the internal control and risk management system through attending the meetings of the Control, Risks and Sustainability Committee, meetings with the Group HSE&SA, Project Quality & Risk Management Manager, with the Head of Group Corporate Affairs, Governance & Compliance, and with Group General Counsel by obtaining information from the Chief Executive Officer (CEO), who is responsible for the setting up and maintenance of the internal control and risk management system, from the various departmental managers, from representatives of the independent audit firm, and from the Supervisory Board. We also held meetings

with the Internal Audit Manager of the company, at which we obtained information on the state of implementation of the Audit Plan for the year, on the results of the audits carried out and on the resolution measures implemented or planned, in addition to the relative follow-up activities;

- we oversaw the adequacy of the administrative-accounting system through meetings with the Chief Financial Officer and the Executive Officer for Financial Reporting of the company and with the independent audit firm PricewaterhouseCoopers S.p.A., also for the purposes of exchanging data and information. In this regard, during specifically arranged meetings, we received from PricewaterhouseCoopers S.p.A. specific information concerning their audits of the recognition of claims, changes of order, and back-charges by the Company. No information needing to be reported emerged from these meetings;
- we verified the means for implementation of the Corporate Governance rules adopted by the company, also in compliance with the recommendations and principles of the Corporate Governance Code. Specifically:
    - we oversaw the process of adapting the Maire Tecnimont system of governance to the Corporate Governance Code and expressed our favorable opinion, within the scope of our purview and where necessary, of the proposals approved by the Company's Board of Directors;
    - we verified the correct application of the criteria and procedures adopted by the Board of Directors to assess the independence of its members;
    - we verified the independence of the Independent Audit Firm;
    - we confirmed our independence;
- we verified the adequacy of the instructions issued to subsidiaries in accordance with Article 114, paragraph 2 of the CFA. These instructions also permitted these latter to provide in a timely manner the company with the information necessary to fulfill its communication obligations under applicable legal provisions;
- we verified the transactions with related parties and inter-company transactions; in this regard, we consider the information provided as adequate;

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we oversaw the correct implementation of the measures required to be taken by the company under the Market Abuse Regulation, including those relating to internal dealing, as well as with regard to both the protection of savings and corporate disclosures;

- we verified – in accordance with Article 15 of Consob Markets Regulation adopted with motion No. 20249 of December 28, 2018 (the "Consob Markets Regulation") – that the organization and the procedures adopted permit Maire Tecnimont to verify that the companies controlled and incorporated and regulated under laws of States not belonging to the European Union of relevance, have an appropriate administrative-accounting system to permit management and the independent auditor of the Company to receive regularly the necessary financial statements for the preparation of the consolidated financial statements. At December 31, 2021, the subsidiaries incorporated and governed under the laws of State not belonging to the European Union of relevance in accordance with Article 15 of the Consob Markets Regulation are: Tecnimont Private Ltd (India), Tecnimont HQC Sdn Bhd (Malaysia), MT Russia LLC (Russia), Tecnimont Arabia Ltd (Saudi Arabia), and TCM-KT JV Azerbaijan LLC (Azerbaijan);
- we have not received petitions or complaints as per Article 2408 of the Civil Code.

During the controls described above, no significant matters arose that would require reporting to the oversight and control Authority Body or specific mention in this report.

Internal Audit, Group Corporate Affairs, Governance & Compliance, Group HSE&SA, Project Quality & Risk Management, and the Supervisory Board, with whom we periodically met, did not report any particular issues within the scope of their respective purviews.

The annual Corporate Governance and Ownership Structure Report of the Board of Directors did not indicate any issues to be highlighted in this report.

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During the meetings of the Board of Statutory Auditors with the corresponding boards of the main subsidiaries and with their Supervisory Boards pursuant to Legislative Decree 231/01, no significant matters arose that warranted bringing them to your attention.

Supervisory activities on the financial disclosure process

We verified the existence of adequate rules and processes to oversee the process for the collation, formation and circulation of financial disclosure, including as specified in the ESEF Regulation.

We, in addition, noted that the Executive Officer for financial reporting confirmed:

i) the adequacy and appropriateness of the powers and the means assigned to him by the Board of Directors;

ii) to have had direct access to all information necessary for the production of the accounting data, without the need for authorizations;

iii) to have been involved in internal information flows for accounting purposes and to have approved all of the relative company procedures.

Therefore, the Board of Statutory Auditors expresses an opinion of adequacy in terms of the process for the formation of the financial disclosure and do not raise any issues to be submitted to the Shareholders.

Oversight of the non-financial disclosure process

We oversaw compliance with the provisions of Legislative Decree 254/2016, verifying the existence of adequate rules and processes to oversee the process for its collation, formation and presentation. With regard to the latter of these aspects, we also oversaw observance of the Taxonomy Regulation.

The Board of Statutory Auditors expresses, therefore, an assessment upon the adequacy of the process for the drafting of the non-financial disclosure, on the basis of the socio-environmental strategic objectives of the Group, and does not raise any issues to be submitted to the Shareholders' Meeting.

In drawing up the Non-Financial Disclosure, the company did not avail of the option to omit information concerning imminent developments and transactions under negotiation, as per Article 3, paragraph 8 of Legislative Decree 254/2016.

Remuneration of the directors, general manager, senior executives with strategic responsibilities, and internal audit manager

The Board of Statutory Auditors in 2021 expressed its opinion as required by Article 2389, paragraph 3, of the Civil Code concerning the proposals for the remuneration of senior executives.

In particular, the Board of Statutory Auditors, on March 9, 2021, expressed, to the extent of its remit, its favorable opinion on the proposed adoption of the "*2021-2023 Long-Term Incentive Plan of the Maire Tecnimont Group*" ("**2021-2023 LTI Plan**") established, *inter alia*, for the Chief Executive Officer and General Manager of Maire Tecnimont, Mr. Pierroberto Folgiero. This proposal, issued in accordance with Article 114-*bis* of the CFA, was then submitted to the Maire Tecnimont Shareholders, who approved the 2021-2023 LTI Plan on April 15, 2021.

At the meeting of April 28, 2021, the board also issued a favorable opinion on granting the Chairman of the Board of Directors and the CEO and General Manager of the Company, as senior executives with special powers, the shares related to the First Cycle (2020) of the "*2020-2022 General Share Plan for the Maire Tecnimont Group*" ("**2020-2022 SOP**").

On June 11, 2021, the board, where required, expressed a favorable opinion regarding the proposal setting the MBO targets for 2021 (MBO 2021) for the Company's Internal Audit Manager.

On June 23, 2021, the board therefore expressed favorable opinions regarding:

- the proposal to implement the Second Cycle (2021) of the 2020-2022 SOP, taking account of the fact that the beneficiaries of the plan also include the Chairperson of the

Board of Directors and the CEO and General Manager of the Company;

- the proposal to implement the 2021-2023 LTI Plan for, *inter alia*, the CEO and General Manager of the Company;
- the proposal to award an extraordinary, one-off bonus to the CEO and General Manager of the Company; and
- the proposal setting the MBO targets for 2021 (MBO 2021) for the CEO and General Manager of the Company.

For the sake of full disclosure, the Board of Statutory Auditors also expressed favorable opinions on February 25, 2022, concerning:

- the proposed final figures for 2021 for the compensation plans for the CEO and General Manager of the Company;
- to the extent of the board's remit, the proposed final figures for the MBO 2021 targets assigned to the Internal Audit Manager; and
- the proposed structure of the "*Long-Term Incentive Plan in 3-year cycles (2022-2024, 2023-2025, 2024-2026*") ("**Three-Year LTI Plan**") established, *inter alia*, for the CEO and General Manager and the proposal to implement the "*2022-2024 Long-Term Incentive Plan for the Maire Tecnimont Group*" (First Cycle) defined within the scope of the Three-Year LTI Plan. The latter proposal, issued in accordance with Article 114-bis of the CFA, was submitted for approval to the Maire Tecnimont Shareholders' Meeting set for April 8 (first call) and April 11 (second call), 2022.

Declarations of the Board of Statutory Auditors

Within the scope of the Company's launch of the Euro Commercial Paper Program for the issue of one or more convertible instruments, on December 16, 2021, in accordance with Article 2412(1) of the Civil Code, the Board of Statutory Auditors also issued the declaration required.

Oversight in accordance with Legislative Decree 3972010 — verification of the independence of the audit firm

We also oversaw the audit of the Annual Accounts and of the Consolidated Annual Accounts, the independence of the independent audit firm, with particular regards to any non-audit services provided and on the outcome of the audit.

With regards to the independence of the Independent Audit Firm, PricewaterhouseCoopers S.p.A., the Board of Statutory Auditors was informed in a timely manner on the other services assigned.

In 2021, the independent audit firm carried out the following activities on behalf of the Group:

Type of services	**Provider**	**Recipient**	**Remuneration 2021 (in Euro thousands)**
Audit	PricewaterhouseCoopers S.p.A.	Parent Company Maire Tecnimont	233
Audit	PricewaterhouseCoopers S.p.A.	Maire Group Tecnimont	1,707
Audit	PricewaterhouseCoopers S.p.A. Network	Maire Tecnimont Group	522
Certification services (*)	PricewaterhouseCoopers S.p.A.	Parent Company Maire Tecnimont	4
Certification services (*)	PricewaterhouseCoopers S.p.A.	Maire Group Tecnimont	75
Other services (**)	PricewaterhouseCoopers S.p.A.	Parent Company Maire Tecnimont	61

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Other services (**)	PricewaterhouseCoopers S.p.A.	Maire Group Tecnimont	79
Other services (**)	Grid PricewaterhouseCoopers	Parent Company Maire Tecnimont	400

The fees do not include VAT, expenses and any Consob oversight contribution repayments

(*) Certification services include the signing of tax declarations.

(**) The other services of the Parent Company include the audit fee for the Sustainability Report - containing the Non-Financial Statement as per Legislative Decree 254/2016 and the fee for support with development of the in-country value method, the assignment for the methodological support in technical assistance for National and European Financing Programs, and the audits regarding the tax credit for research and development spend and certification of the financial plan for a new commercial initiative.

The Board of Statutory Auditors reports that the fees reported in the table are appropriate to the size, complexity and characteristics of the work carried out and that the other services assigned do not affect its independence.

It should also be noted that, since PricewaterhouseCoopers S.p.A., the company appointed to carry out the statutory audit of Maire Tecnimont, provided services other than the statutory audit to the Company and the Group during the three financial years prior to the financial year 2020, as from January 1, 2020, the Company's Board of Statutory Auditors, as Internal Control and Audit Committee, is required - pursuant to the European Union Regulation No. 537/2014 of April 16, 2014 - to monitor the non-audit appointments assigned to the Independent Audit Firm not only for the issue of the prior authorizations for which it is responsible, but also in order to verify that the fees paid for this purpose do not exceed for the financial year 2021 the so-called "70% limit", to be calculated on the average fees paid in the financial years 2018, 2019 and 2020 for the statutory audit activity performed. In order to allow the Board of Statutory Auditors to carry out the checks for which it is responsible, the Company has implemented specific internal procedures for monitoring the above fees, in line with the relevant regulations.

PricewaterhouseCoopers S.p.A. on March 18, 2022, issued:

- as **Appointed Auditor**, the reports as per Article 14 of Legislative Decree 39/2010 and 10 of Regulation EC 537/2014, prepared as per the provisions contained in the stated decree, as amended by Legislative Decree 135/2016; the reports contain an opinion without raising any issues with regards to the separate and consolidated financial statements at December 31, 2021 and they provide a true and fair view of the financial statements of the company and of the Group at December 31, 2021, of the net result and of the cash flows, in compliance with the applicable accounting standards, and an opinion without raising any issues concerning the fact the financial statements included in the annual report for 2021 comply with the requirements defined in the ESEF Regulation; and
- the Additional Report as per Article 11 of Regulation EC 537/2014, which did not indicate any significant deficiencies within the internal control and risk management system with regards to the financial disclosure process, with the statement as per Article 6 of Regulation EC 537/2014 annexed, which did not indicate any situations which may compromise its independence;
- as Designated Auditor, the statement on the "*2021 Sustainability Report*", containing the Consolidated Non-Financial Disclosure; in this statement the Designated Auditor concludes that no elements came to its attention which may indicate that the Group's Consolidated Non-Financial Disclosure, contained within the 2021 Sustainability Report, concerning the year ended December 31, 2021, was not prepared, from all significant aspects, in compliance with that required by Legislative Decree No. 254/2016 and by the GRI.
  Standards.

In accordance with the recommendations and indications of CONSOB, the Board of Statutory Auditors notes that:

- the consolidated financial statements at December 31, 2021, report revenues of Euro 2,864,782,000, EBITDA of Euro 173,732,000 and net income of Euro 80,471,000;
- the Maire Tecnimont Group Adjusted Net Financial Position at December 31, 2021, was a cash position of Euro 8,880,000;

- The parent company Maire Tecnimont reports net income of Euro 73,740,964.

Board of Statutory Auditors' annual self-assessment

In accordance with the "*Conduct rules for Boards of Statutory Auditors of listed companies*" of the Italian Accounting Profession (*Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili*), which established that Boards of Statutory Auditors are required to carry out, following appointment and subsequently on an annual basis, an assessment of its functioning with regards to the overall planning of its activities, the suitability of its members, the adequate composition of the Board in terms of the requirements of professionalism, competence, good-standing and independence, as well as on the adequacy of the time and resources available with respect to the complexity of the assignment (the "Self-Assessment"), we inform that the Board of Statutory Auditors of the Company, with the support of a consultancy company, carried out the Self-Assessment for 2021, the result of which is outlined in the "*Corporate Governance and Ownership Structure Report 2021*" as per Article 123-*bis* of the CFA of the company, made available to the public in accordance with law on the Maire Tecnimont website (www.mairetecnimont.com)), and according to the means required by the applicable regulation.

Meetings of the Board of Statutory Auditors, of the Board of Directors and of the Board Committees

During 2021:

- 19 meetings of the Board of Statutory Auditors were held, of an average duration of about 1 hour each;
- the Board of Statutory Auditors held meetings and exchanged information with the representatives of PricewaterhouseCoopers S.p.A., both as Appointed Auditor and Designated Auditor;

- 9 meetings of the Board of Directors were held, of an average duration of 1 hour and 45 minutes each. In this regard, the Board of Directors of the company comprises nine Directors, of which five independent. Of these, one is from the minority slate. Four Directors out of nine are female;
- in addition, the Control, Risks and Sustainability Committee met 9 times (with an average duration of about 2 hours), the Remuneration Committee met 6 times (with an average duration of about 1 hour), and the Related Parties Committee met 5 times (with an average duration of 1 hour and 15 minutes).

The Board of Statutory Auditors attended all meetings of the Board of Directors and of the Internal Committees.

Finally, the Board reports to have attended the ordinary Shareholders' Meeting of April 15, 2021, and overseen its proper execution in accordance with Article 106 of the "Health Care Decree".

The Board of Statutory Auditors reports that, as at the date of this report, the COVID-19 (coronavirus) health emergency continues.

In this regard, in 2021, the Board of Statutory Auditors continued to monitor developments in the legislative landscape and in measures issued by the competent authorities in response to the ongoing health emergency as they concern the Board's supervisory obligations regarding Maire Tecnimont. No issues have emerged in this regard that require reporting to the Company's Shareholders.

Significant events subsequent to the end of the year are described in the Directors' Report and mainly concern updates on the Russia-Ukraine crisis and the activities involving the Group in the Russian Federation.

In order to assess the potential implications of this international crisis, the Company has conducted an analysis that shows the current state of the Group's financial and economic exposure related to projects under way in Russia.

These analyses, based on available information, did not point to critical issues concerning application of the policies adopted in preparing the Group's Annual Report for 2021 nor impairment losses related to the Hydrocarbons CGU, which is the only one to have projects in Russia.

It should also be noted that the Appointed Auditor has paid particular attention to the Russia-Ukraine crisis as a key factor of the supplemental report and has reported to have reconsidered the auditing strategy in order to take account of the potential impacts, based on available information, of these events and had described the related audit procedures. These activities did not point to any issues that needed to be brought to the attention of the Board of Statutory Auditors.

More specifically, in conducting its activities and for the purpose of issuing this report, the Board has also taken account of the recommendations provided in the ESMA public statements of October 29, 2021, entitled "European common enforcement priorities for 2021 annual financial report" and March 14, 2022, entitled "ESMA coordinates regulatory response to the war in Ukraine and its impact on EU financial markets", as well as the Consob clarification to issuers on the impact of the war in Ukraine on inside information and financial reporting (of March 18, 2022).

It should be noted that the Board of Statutory Auditors was promptly informed by the Company of the requests for news, data and documents sent by CONSOB, as per Article 115 of the CFA, in 2021 reporting that timely responses to the requests received were provided according to the established and/or agreed terms.

The Chief Executive Officer and the Executive Officer for Financial Reporting issued on February 25, 2022, the declarations as per Article 154-*bis* of the CFA, declaring that the separate and consolidated financial statements for the year ended December 31, 2021, were prepared in compliance with the international accounting standards applicable and recognized by the European Union in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and Council of July 19, 2002, correspond to the accounting records and provide a true and fair view of the equity, earnings and financial situation of the Company and of the Group.

The Board of Statutory Auditors considers the information provided by the Board of Directors in its reports as complete and adequate, also with regards to the risks, uncertainties and disputes to which the company and the Group are exposed.

It should also be noted that the Appointed Auditor has paid particular attention to the Russia-Ukraine crisis as a key factor of the report on the 2021 separate and consolidated financial statements and has reported to have reconsidered the auditing strategy in order to take account of the potential impacts, based on available information, of these events and had described the related audit procedures. These activities did not point to any issues that needed to be brought to the attention of the Board of Statutory Auditors.

The Board of Statutory Auditors, to the extent of its remit, has examined these events in depth, with a particular emphasis on their impact on the Group's operations and its financial performance and standing. At present, and based on the documentation available, no material factors or critical issues have emerged that require reporting by the Board of Statutory Auditors.

The Board of Statutory Auditors has also verified that this information are described in detail in the Directors' Report.

The Board of Statutory Auditors expresses its favorable opinion as to the approval of the annual financial report at December 31, 2021, and agrees with the proposed resolutions presented by the Board of Directors regarding the allocation of earnings, which includes payment of a dividend to Shareholders for a total of Euro 60,105,084.74 on 328,443,086 ordinary shares outstanding, without par value, with dividend rights, for a dividend of Euro 0.183 per share before withholdings required by law.

Milan, March 18, 2022

Signed by

Mr. Francesco Fallacara (Chairperson)

Ms. Antonia Di Bella

Mr. Giorgio Loli

This report has been translated into English from Italian original solely for the convenience of international readers.

53. Auditors' Report on the Condensed Consolidated

INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH ARTICLE 14 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010 AND ARTICLE 10 OF REGULATION (EU) N° 537/2014

MAIRE TECNIMONT SPA

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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Independent auditor's report

in accordance with article 14 of Legislative Decree N° 39 of 27 January 2010 and article 10 of Regulation (EU) N° 537/2014

To the shareholders of Maire Tecnimont SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Maire Tecnimont group (the Group), which comprise the consolidated balance sheet as of 31 December 2021, the consolidated income statement, consolidated comprehensive income statement, statement of changes in consolidated shareholders' equity, consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2021, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree N° 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Maire Tecnimont SpA (the Company) pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. 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 judgment, 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.

PricewaterhouseCoopers SpA

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Measurement of revenues and contractual assets and liabilities *Note 26 to the consolidated financial statements "Explanatory notes as of 31 December 2021" (paragraphs "Contractual assets and liabilities" and "Use of estimates"), note 27.1 to the consolidated financial statements "Revenues", note 28.11 to the consolidated financial statements "Contractual assets" and note 28.33 to the consolidated financial statements "Contractual liabilities".*	
Revenues of Maire Tecnimont Group are generated from engineering and construction services in the following fields: - Hydrocarbons. - Green Energy. Revenues generated during 2021 totalled Euro 2,865 million and refer for 97 per cent to the Hydrocarbons business and for the remainder to the Green Energy business. Revenues also include the positive impact of the recognition of changes to works not yet approved, incentives and any reserves ("claims") posted for the updated amount, measured reliably, for which collection from clients is highly probable. In detail, as yet unapproved revenues are measured by the Group based on the favourable outcomes that can be reasonably foreseen from ongoing negotiations with clients to agree payment for additional costs incurred or from litigation pending, which by nature may carry a risk of occurrence. Recognition of contract revenues takes place over the length of each project based on the fulfilment of the performance obligation determined based on the percentage of completion.	We understood and evaluated the internal control relevant to this financial statements area, paying special attention to the process of identification of loss-making contracts and the recognition of additional payments relating to changes to contracts, and we analysed the design and the effectiveness of certain manual and automated relevant controls. We selected a sample of construction contracts based on quantitative and qualitative elements that include: - significant revenues accounted for in the reporting period; - loss-making contracts; - existence of claims for additional payments and significant changes to contracts. For the sample of contracts selected we carried out the following main auditing procedures: - reconciliation of revenues to the contractual agreements with the counterparty;

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
The percentage of completion of each project is measured on the basis of the contract costs incurred to the reporting date as a percentage of the total costs incurred or to be incurred to complete the project. Contractual payments, in additional to the base consideration agreed in the contract, include additional payments related to claims for additional costs incurred and/or to be incurred for unforeseeable reasons or events attributable to the client, changes to contracts following additional works performed and/or to be performed or changes to works not formalised in additional documents. The determination of the additional payments is subject by nature to a degree of uncertainty in terms of both the amounts that will be agreed to by clients and of the timing of collection, which usually depend on the outcome of negotiations between the parties or on decisions by courts or arbitrators. Once the enforceable right has been identified, in order to recognise claims and amounts of additional payments, to adjust the transaction price as a result of the additional payments, it is necessary to define whether it is considered highly probable that the related revenues will not be reversed in future. For the purpose of the above assessment the Group considers all relevant aspects and circumstances, including the terms of the underlying contract, commercial and negotiation practice in the industry and other supporting evidence, including technical/legal evaluations, also considering the documents generated by third parties (board of arbitrators, dispute adjudication board, etc.). We paid special attention to this financial statements area because of aspects that can make	- reconciliation of costs resulting from the management accounts to the amounts resulting from the general ledger; - verification, on test basis, of the actual costs of a contract for the period by obtaining documentary evidence from third parties (invoices, contracts, transport documents); - recalculation of the percentage of completion of the contract using the cost-to-cost method; - submission of inquiries to the law firms that assisted the Company in the existing litigations in order to verify the valuation of any claims to counterparties for additional payments. For the examination of total contract costs and additional payments recognised in relation to claims for changes to contracts we used also the support of technical-engineering experts belonging to the PwC network. For the sample of contracts selected, they supported us in: - analyses of total contract costs, on a test basis, by meeting the project managers to assess the reasonableness of the amount booked; - investigation of the key variances from the total costs included in the previous budget for the same contract; - analyses of the additional payments booked (when applicable) in terms of reasonableness and compliance with corporate procedures, and verification of documentation supporting the Group's evaluations;

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
the measurement process difficult, such as the technical complexity of projects, the scope and duration of construction work, the existence of additional payments, changes to contracts and price revisions.	- performing site visit of the construction site development for a sample of projects.
Assessment of the recoverability of the carrying amount of goodwill *Note 26 to the consolidated financial statements "Explanatory notes as of 31 December 2021" (paragraphs "Goodwill" and "Use of estimates") and note 28.2 to the consolidated financial statements "Goodwill".* The consolidated financial statements of Maire Tecnimont Group as of 31 December 2021 include goodwill for Euro 294.3 million (5,6 per cent of Total Assets), allocated to four cash generating units ("CGUs"): Hydrocarbons; Renewables & Infrastructure; Green Energy and Licensing. Goodwill originated mainly from the acquisitions in previous years of the Tecnimont Group, Maire Engineering, Tecnimont Private Ltd, the KT Group and Stamicarbon BV and from the acquisitions of MyReplast Industries Srl and Protomation BV. The recoverability of goodwill is verified at least once a year even if impairment indicators are not present. The recoverable amounts of the CGUs to which goodwill amounts have been allocated is verified through the calculation of value in use, which is the present value of the estimated future cash flows determined using a discount rate that reflects the risks specific to each CGU at the measurement date. The Group performed the impairment test with the help of an independent expert, using cash flows based on the projections set out in the 2021 budget and in the business plan for the period	We understood the methodology adopted by the Company in the preparation of the impairment test, which was approved by the Company's Board of Directors. We carried out auditing procedures, on a test basis, on the amounts included in the business plan for the period 2022-2026 in order to verify the reasonableness of the inputs with particular reference to estimated future revenues and cash flows. In detail, our activities involved obtaining adequate information to understand the make-up of estimated future revenues included in the plan. In order to assess the reliability of the forecasts we also performed a comparison of the actual revenues reported for the year 2021 with the forecast for the same year included in the previous business plan (2021-2025). We analysed the consistency with the Group's structure of the criteria used to identify the CGUs, the consistency of the cash flows used in the valuation against the amounts included in the business plan for the period 2022-2026, and the reasonableness of the methodology used for the determination of

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
2022-2026 approved by the Company's Board of Directors on 25 February 2022. In determining the recoverable amount the Group also considered a terminal value determined as the arithmetical average of the margins of the cash flow projections included in the business plan for the period 2022-2026. For all CGU's, the recoverable value as presented above is higher than the net carrying amount of the Net Capital Employed of the CGU's and therefore no impairment is indicated. The Group also performed a sensitivity analysis based on changes to the discount rate, growth rate and EBITDA. The results of these sensitivity analyses did not highlight any impacts on the values recorded by the CGU's. The valuation of goodwill was considered a key audit matter because of both the magnitude of the balance and the complexity of the process of estimating the recoverable amount of goodwill, this being based on assumptions affected by economic and market conditions that are subject to uncertainties, referred in particular to the calculation of prospective cash flows and of the discount rate.	the terminal value. We also verified the mathematical accuracy of the key figures included in the impairment test, the adequacy of the discount and growth rates used and their consistency with the methodology approved by the Company's Board of Directors. Finally, we verified the sensitivity analysis performed by the Group. Those activities were performed also with the help of experts in valuation models belonging to the PwC network. We verified the completeness and accuracy of disclosures in the notes to the consolidated financial statements.
Subsequent events – Russia-Ukraine conflict *Note 20 to the directors' report "Subsequent events and outlook" and note 6 the directors' report "Backlog by business unit and region".* With regard to developments in international tension related to the Russia-Ukraine case, the Group's commercial pipeline – after a period of	 We reconsidered our audit strategy to take into account the possible effects, in light of the information currently available, arising

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
strong expenditure and presence in Russia- has been seeing a significant recovery in petrochemical investments in the Middle East and in Europe), as well as in the other regions in which the Group has a presence, such as India, North Africa, South East Asia, sub-Saharan Africa, and the United States. At present, roughly Euro 1.5 billion of the Group's order backlog relates to Russia, equal to 16% of the total. The key projects in progress in Russia are Amur AGCC, Amursky AGPP and Kingisepp 2. In relation to the three projects mentioned above with regard to 2022 revenues, it should be noted that the Amursky AGPP project is at 95% completion. With the exception of construction work for the Kingisepp 2 project, most of the activities still to be conducted in the country, including in relation to the Amur AGCC project, are essentially concentrated in procurement activities for which most purchase orders for materials have already been issued and, in many cases, delivered on site. Only for the project Kingisepp 2, the only EPC project, are there planned construction activities to be performed on site, by the Russian subsidiary MT Russia, by contracting out to local construction firms which have already been mobilized at the work sites given the availability of engineering and construction materials. In terms of the balance sheet, the net balance of assets and liabilities related to Russian projects is essentially at break even. In order to assess the potential implications of the Russia-Ukraine crisis, an analysis has been conducted that shows the current state of the Group's financial and economic exposure related to projects under way in Russia.	from the Russia-Ukraine crisis. The main audit procedures we performed are summarised below. We obtained the assessments performed by the directors in response to the Russia-Ukraine crisis with regard to the Group's financial exposure to the Russian projects, presented at the meeting of the board of directors on 25 February 2022, and discussed the document with corporate management; • we analyzed the possible accounting effects of the international sanctions related to the Russia-Ukraine conflict with specific reference to the application of IAS 10 "Events after the Reporting Period"; • we verified the exercise performed by the Group about its ability to meet financial commitments also in consideration of the effects arising from the Russia-Ukraine crisis; • we performed additional sensitivity analyses with reference to possible impacts from the Russia-Ukraine crisis on the basis of the data in the 2022-2026 business plan approved by the board of directors at their meeting on 25 February 2022 with the help of valuation models experts from the PwC network; • we obtained an understanding of the procedures put in place by Group management to monitor the sanctions regime arising from the conflict, also involving experts in international sanctions from the PwC network; • as part of the audit procedures performed, we also had discussions with corporate management and the

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
These analyses, based on the currently available information, did not point to critical issues concerning application of the policies adopted in preparing these financial statements nor impairment losses related to the Hydrocarbons CGU, which is the only one to have projects in Russia. We paid special attention to this matter in light of the materiality of the Group's operations in the Russian Federation.	governance bodies. Finally, we verified the completeness and accuracy of disclosures on this matter included in the annual financial report.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree N° 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Maire Tecnimont SpA or to cease operations or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

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 International Standards on Auditing (ISA Italia) 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

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reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- we identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained 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;
- we obtained 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;
- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- we concluded on the appropriateness of the directors' use 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;
- we evaluated 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;
- we obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia 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 identified during our audit.

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We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined 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 described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) N° 537/2014

On 15 December 2015, the shareholders of Maire Tecnimont SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2016 to 31 December 2024.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) N° 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Maire Tecnimont SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation

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In our opinion, the consolidated financial statements have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree N° 39/10 and Article 123-bis, paragraph 4, of Legislative Decree N° 58/98

The directors of Maire Tecnimont SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the Maire Tecnimont Group as of 31 December 2021, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) N° 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree N° 58/98, with the consolidated financial statements of the Maire Tecnimont Group as of 31 December 2021 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of Maire Tecnimont SpA as of 31 December 2021 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree N° 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Statement in accordance with article 4 of Consob’s Regulation implementing Legislative Decree N° 254 of 30 December 2016

The directors of Maire Tecnimont SpA are responsible for the preparation of the non-financial statement pursuant to Legislative Decree N° 254 of 30 December 2016.

We have verified that the directors approved the non-financial statement.

Pursuant to article 3, paragraph 10, of Legislative Decree N° 254 of 30 December 2016, the non-financial statement is the subject of a separate statement of compliance issued by ourselves.

Rome, 18 March 2022

PricewaterhouseCoopers SpA

Signed by

Carmine Elio Casalini
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

54. Independent Auditors’ Report on the Separate Financial Statements

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INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH ARTICLE 14 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010 AND ARTICLE 10 OF REGULATION (EU) N° 537/2014

MAIRE TECNIMONT SPA

FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

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Independent auditor's report

in accordance with article 14 of Legislative Decree N 39 of 27 January 2010 and article 10 of Regulation (EU) N 537/2014

To the shareholders of Maire Tecnimont SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Maire Tecnimont SpA (the Company), which comprise the balance sheet as of 31 December 2021, the income statement, comprehensive income statement, statement of changes in shareholders' equity, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2021, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree N° 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. 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 judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Assessment of the recoverability of the carrying amounts of investments *Note 40.1 to the financial statements "Accounting policies" (paragraphs "Investments" and "Use of estimates"), note 41.10 to the financial statements "Investment income/(expenses)" and note 42.4 to the financial statements "Investments in subsidiaries".*	
The financial statements of Maire Tecnimont SpA as of 31 December 2021 include eight investments in subsidiaries for a total carrying amount of Euro 774 million (Tecnimont SpA, MST SpA, Neosia Renewables SpA, Met Development SpA, KT SpA, MET Gas Processing Technologies SpA, Stamicarbon BV and Nextchem SpA) corresponding to 52 per cent of Total Assets. Investments in subsidiaries are measured at purchase cost including of direct accessory costs. Where indicators of impairment are present, the recoverability of the carrying amounts of investment is tested by comparing the carrying amount with the recoverable amount. An impairment test was carried out on the investments in Tecnimont S.p.A., Neosia Renewables S.p.A., and Nextchem S.p.A., as the book value of the investments was higher than the pro-quota net equity at December 31, 2021, as was the case also in the previous year. Impairment testing was conducted with regard to the investment in MST S.p.A. given that, during the year, the company was involved in a rationalization of its industrial and commercial operations, events that pointed to a possible impairment loss and inability to recover the book value of the investment. The value configuration used by the Company to determine the recoverable amount of the investments indicated above is value in use, which	We understood the methodology adopted by the Company in the preparation of the impairment test, which was approved by the Company's Board of Directors. With reference to those investments for which impairment indicators were identified (Tecnimont SpA, MST SpA, Neosia Renewables SpA, Nextchem SpA and MET Gas Processing Technologies SpA) we carried out auditing procedures, on a test basis, on the amounts included in the business plan for the period 2022-2026 in order to verify the reasonableness of the inputs with particular reference to estimated future revenues and cash flows. In detail, our activities involved obtaining adequate information to understand the make-up of estimated future revenues included in the plan. In order to assess the reliability of the forecasts we also performed a comparison of the actual revenues reported for the year 2021 with the forecast for the same year included in the previous business plan (2021-2025). In order to verify the recoverability of the carrying amounts of the above-mentioned investments we analysed the consistency of the cash flows used in the valuation against the amounts included in the business plan for the period 2022-2026 and the reasonableness of the methodology used for the determination of the terminal value.

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Key Audit Matters	Auditing procedures performed in response to key audit matters
was obtained considering the operating value (OV), determined by discounting the estimated future cash flows, the value of the net financial position (NFP) and the value of accessory assets (ACC). That value in use was determined with the help of an independent expert. The OV was determined using cash flows based on the projections set out in the 2022 budget and in the business plan for the period 2022-2026 approved by the Board of Directors on 25 February 2022. In determining the recoverable amount the Company also considered a terminal value determined as the arithmetical average of the margins of the cash flow projections included in the business plan for the period 2022-2026. The analyses carried out by the Company through the determination of the value in use did not indicate an impairment loss. The Company also performed a sensitivity analysis based on changes to the discount rate and growth rate and EBITDA. The sensitivity analysis did not indicate impacts for the equity investments, with the exception of the subsidiary Met Gas Processing SpA which in the worst case scenario indicates a reduction in value of approx. Euro 1.3 million. The valuation of investments was considered a key audit matter because of both the magnitude of the balance and the complexity of the process of estimating the recoverable amount of investments, this being based on assumptions affected by economic and market conditions that are subject to uncertainties, referred in particular to the calculation of prospective cash flows and of the discount rate.	We also verified the mathematical accuracy of the key figures included in the impairment test, the adequacy of the discount and growth rates used and their consistency with the methodology approved by the Company's Board of Directors. Finally, we verified the sensitivity analysis performed by the Company. Those activities were performed also with the help of experts in valuation models belonging to the PwC network. We verified the completeness and accuracy of disclosures in the notes to the financial statements.

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Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree N 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) 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 the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- we identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained 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;
- we obtained 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 Company's internal control;
- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- we concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

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

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

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, 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 identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) N° 537/2014

On 15 December 2015, the shareholders of Maire Tecnimont SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2016 to 31 December 2024.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) N° 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Maire Tecnimont SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the financial statements, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the financial statements have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree N° 39/10 and Article 123-bis, paragraph 4, of Legislative Decree N° 58/98

The directors of Maire Tecnimont SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Maire Tecnimont SpA as of 31 December 2021, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) N° 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree N° 58/98, with the financial statements of Maire Tecnimont SpA as of 31 December 2021 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of Maire Tecnimont SpA as of 31 December 2021 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree N° 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Rome, 18 March 2022

PricewaterhouseCoopers SpA

Signed by

Carmine Elio Casalini
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers.