2022 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, 2022 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, 2022 in the ESEF format required by the ESEF Regulations, including the required markings, is available on the Company's website www.mairetecnimont.com ("Investors" - "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	Alessandro BERNINI (1)
Independent Director	Gabriella CHERSICLA (** Chairperson) (*** Chairperson)
Independent Director	Francesca ISGRO' (*)
Independent Director	Cristina FINOCCHI MAHNE (***)
Director	Luigi ALFIERI (*)
Director	Stefano FIORINI (**)
Independent Director	Paul Alberto DE ANGELIS (* Chairperson) (***)
Independent Director	Maurizia SQUINZI (**)

The Board of Directors was appointed by the Shareholders' Meeting of April 8, 2022 and will remain in office until the approval of the 2024 Annual Accounts

(1) Appointed by the Board of Directors on April 21, 2022 by co-option, pursuant to Article 2386 of the Civil Code following Pierroberto Folgiero's resignation from the position of Director Chief Executive Officer and General Manager of the Company, effective May 15, 2022. Alessandro Bernini will remain in office, in accordance with the law, until the next Shareholders' Meeting of the Company.

(*) Member of the Remuneration Committee

(**) Member of the Control, Risks and Sustainability Committee

(***) Member of the Related Parties Committee

Board of Statutory Auditors	
Chairperson	Francesco FALLACARA
Statutory Auditor	Andrea BONELLI
Statutory Auditor	Marilena CEDERNA
Alternate Auditor	Massimiliano LEONI
Alternate Auditor	Mavie CARDI
Alternate Auditor	Andrea LORENZATTI

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of April 8, 2022 and will remain in office until approval of the 2024 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 general market in 2022 was significantly affected by the consequences of the international geopolitical tensions and the ongoing effects of the COVID-19 pandemic, albeit to a gradually lesser extent compared to the previous two years.

Following the outbreak of the conflict in Ukraine, the European Parliament and Council saw fit to impose several restrictive measures. Starting with Council Regulation 2022/328 of February 25, as amended, the European Union imposed a series of progressively restrictive measures against the Russian Federation, the main ones concerning:

- A ban on transactions with a number of Russian natural and legal persons, identified by specific lists that are kept up to date as the situation evolves;

- energy sector restrictions were introduced, involving sanctions that saw the EU impose a ban on the direct or indirect sale, supply, transfer, or export of goods and technology suitable for use in oil refining – as listed in Annex X to EU Regulation 2022/328 – to any person, entity or body in Russia or for use in Russia. Up until May 27, 2022 the ban did not apply to contracts concluded before February 26, 2022, or to ancillary contracts necessary for the performance of such contracts;

- restrictions were imposed on the export of dual-use (civil/military) goods and technologies, and on exports of certain goods and technology that might contribute to Russia's technological enhancement of its defense and security sector. Again, the ban applies to all goods that are listed in the EU Dual-Use Regulation (821/2021) and Annex IV of the EU Regulation 2022/328 and do not originate in the EU, to any person, entity or body in Russia or for use in Russia. Until September 17, 2022, the ban will not apply to contracts concluded before March 16, 2022, or to ancillary contracts necessary for the performance of such contracts;

- with EU Regulation 428/2022, the restrictions that had already been imposed on dual-use goods and technologies were also applied to the tangible exports listed in Annex II of Regulation 833/2014 (goods of particular importance in the energy sector, such as pipelines, etc.). Until September 17, 2022, this ban will not apply to contracts concluded before March 16, 2022, or to ancillary contracts necessary for the performance of such contracts;

- EU Regulation 576/2022 further extended the list of goods and technologies listed in Annex X to EU Regulation 2022/328 to include those suitable for use in the liquefaction of natural gas.

- While the initial seven packages of measures were incisive and also effective - seeking essentially to exert increasing pressure on the Russian economy - the eighth package of measures of October 6, 2022 was a clear step change. These new, much more aggressive restrictions, target ever broader categories of goods, expand the lists of entities excluded from all economic relations and impose restrictions on consulting services - including engineering, architecture, IT and legal services.

- On December 16, the EU's ninth round of sanctions against Russia went into effect. The package increases the types and number of goods banned from export to Russia, placing new people and entities on blacklists, and bans additional types of services and consulting.

The financial sector was also subjected to specific sanctions limiting Russia's access to the largest capital markets and banning the listing and provision of services concerning shares of Russian state-owned entities in EU trading venues. New measures have also been introduced to significantly restrict the flow of finances from Russia into the EU.

In addition, the EU initially decided to exclude seven Russian banks from the international financial (SWIFT) system as of March 12, 2022, effectively preventing companies and individuals from performing transactions around the world via these banks. The exclusion was subsequently extended to three additional banks, including Sberbank (Russia's largest banking group); Gazprombank remains outside the block for the time being.

The Group has dealt with the application of international sanctions affecting logistics, operations, and finances in the past. Given the increasing complexity of the market and growth in recent years, Tecnimont decided to strengthen its internal procedures and corporate structure following the acquisition of large EPC-type orders, defining processes focused on the management of sanctions, export controls, and the relevant authorizations.

Since the beginning of the conflict, in view of the gradual escalation of international geopolitical tensions and the tightening of two-way sanctions, the Group promptly set up interdisciplinary and inter-departmental task forces and working groups in February to share information and updates on the actions implemented, and to coordinate initiatives to manage and mitigate the operating impact on projects based in the Russian Federation.

In keeping with the Group's founding spirit and the value it places on safeguarding its human capital, the Management Team constantly monitored the situation concerning employees assigned to on-site projects and logistics. It also launched induction and awareness-raising initiatives concerning the need to strictly comply with the sanctions in force and the strict safety standards for personnel on site. The Group also resolved to limit travel to Russia to essential trips only.

With regard to cyber security, connectivity was monitored more closely and behavioral awareness was further strengthened in view of the growing cyber risk posed by the crisis unfolding between Russian and Ukraine.

As previously outlined, from February the impacts from the sanctions introduced as a result of the Russia-Ukraine crisis began to slow operations in progress in the Russian Federation.

The evolution of European sanctions, which has taken place since the beginning of the crisis, has made it increasingly difficult to carry out activities on projects in progress and it is expected that all operational activities will be progressively suspended by the end of June this year.

The operational staff involved are being progressively reassigned to other projects in portfolio, which have therefore scaled up production to a greater extent than originally planned.

In the third quarter of 2022, also as a result of the additional sanction measures against the Russian Federation, it was impossible to continue activities even on those projects previously suspended. As a result, the residual value of the relative projects had already been removed from the Backlog from September 30, 2022.

The balance sheet of these projects continues to substantially be in equilibrium and no significant changes are expected to occur as a result of the final termination of the contracts. The "Contractual assets" and the "Trade receivables" recognized to the financial statements concerning the Russian projects accounted for approx. 14.8% of the total and whose recovery is planned through actions currently underway, which are constantly monitored by management and which do not give rise to concern with regards to the solvency of the clients and their collectability. These items are offset by payables exposure, which mainly relates to the subcontractors and vendors involved in these projects.

In order to assess the possible implications of the Russia-Ukraine crisis, a quarterly analysis was undertaken which presented the operating and financial exposure of the Group to projects located in the Russian Federation, while the Group has also constantly updated its operating and financial forecasts, prudently excluding future Russian opportunities over the plan period. These analyses, based on the currently available information, did not point to critical issues concerning application of the policies adopted in preparing the financial statements, nor impairment losses on the amounts recognized.

The Company is operating in full compliance with the wishes of EU and Italian institutions with regard to Russia. The current situation concerning Maire Tecnimont Group projects in Russia and/or involving Russian clients is presented in section 6 - "Backlog by Business Unit and Region - Projects", to which reference should be made.

The Group's key operating events in 2022 were as follows:

NEW ORDERS

The advanced technology portfolio, accompanied by a flexible organizational model, the digitization of processes, and advanced collaboration with partners and customers, have finally made it possible to acquire new contracts worth approx. Euro 3,607.4 million for licensing, engineering services, EP (Engineering and Procurement) and EPC (Engineering, Procurement and Construction) activities, maintaining the Group's Backlog at consistently high levels (approx. Euro 8,604.2 million).

Awarded by some of the most prestigious international clients, these contracts are outlined in section 6 "Backlog - Main projects awarded".

NEW ORDERS & COMMERICAL AGREEMENTS - ENERGY TRANSITION

The drive to reduce our carbon footprint particularly supports the Group's green operations. New contracts were won in 2022, while cooperation and development agreements were entered into by the Group's subsidiary NextChem, the Maire Tecnimont Group company involved in green chemistry and technologies supporting the energy transition:

NEXTCHEM COMPLETES FIRST DEMONSTRATION PLANT IN ITALY FOR CHEMICAL RECYCLING OF PET AND POLYESTER FROM TEXTILES

On April 6, 2022, Nextchem announced the completed construction of the first demonstration plant in Italy for the chemical recycling of PET and polyester from textiles as part of the DEMETO project. The plant is installed at the Abruzzo Technology Park in Chieti.

The depolymerization technology adopted, based on the alkaline hydrolysis reaction using microwaves, makes it possible to chemically recycle PET and polyester from waste textile fibers and obtain pure monomers for use in industrial processes to produce new polymers. The DEMETO project was co-funded by the European Union under the Horizon 2020 program, with NextChem as coordinator of a consortium of 14 partners, covering the entire value chain (NextChem, 3V Tech, SPINDOX UK, Technical University of Denmark, The European Outdoor Group, EuPC, The Fricke and Mallah GmbH, gr3n, H&M Group, NEOGROUP, RECUPRENDA, PETCIA, SUPSI, Synesis). NextChem is the developer and co-licensor of the depolymerization technology, which is owned by Swiss start-up gr3n, in addition to the designer and constructor of the plant. Various types of materials, including polyester-based textile fibers, will be tested at the plant, which is capable of recycling nearly 100% of the incoming material, amounting to one million kg/year.

The project was supported by an Industrial Advisory Board, which includes companies such as Unilever, Coca-Cola, Oviesse, Danone, Henkel and several others. This innovative technology may also contribute to solving a number of outstanding textile waste recycling issues, such as that of bonded fibers. In Italy alone, traced textile waste in 2019 totaled 157.7 kt, of which 47% was made up of bonded and unbonded synthetic fibers. In Italy, 5.7% of unseparated waste consists of textile waste, with an estimated total of approx. 663 kta. In Europe, each inhabitant uses 26 kg of textile material each year and disposes of 116 kg, with total textile waste production estimated at about 5 Mt/y.

MAIRE TECNIMONT GROUP WINS EPC CONTRACT FOR GREEN HYDROGEN PLANT IN INDIA

On May 12, 2022, Maire Tecnimont S.p.A. announced that its Indian subsidiary Tecnimont Private Limited (TCMPL), in partnership with NextChem, has been awarded an EPC contract by the Gas Authority of India Limited (GAIL) for a 4.3-ton-per-day green hydrogen plant through a 10-megawatt PEM1 electrolysis unit in Vijaipur (Madhya Pradesh), central India. The total value of the contract is confidential and in line with projects of this type. The scope of the project covers engineering, procurement and construction through to commissioning, plant start-up and performance testing, while completion is expected 18 months from the acceptance letter. GAIL is the largest government-owned natural gas company in India, with diversified operations throughout the natural gas value chain.

NEXTCHEM STRENGTHENS ITS PARTNERSHIP WITH GRANBIO THROUGH PATENT VALIDATION OF ETHANOL TECHNOLOGY

On June 16, 2022, NextChem announced the strengthening of its partnership with Granbio.

As part of its green acceleration roadmap, NextChem signed an agreement with Brazilian company GranBio in 2020 to co-develop and co-license 2G ethanol production technology, which can convert non-food lignocellulosic biomass into low-emission second-generation biofuels. The European patent for GranBio's 2G ethanol production technology (GP3+®) has been officially validated in 31 countries, including those richest in this raw material such as Bulgaria, Czech Republic, Hungary, Macedonia, Poland, Romania, Serbia and Slovakia. This technology provides a flexible and cost-effective solution for the production of second-generation bioethanol, an internationally used fuel with enormous potential as a feedstock for use in green chemistry processes. GranBio since 2014 has been successfully producing second-generation ethanol at its plant in São Miguel dos Campos, Alagoas, Brazil, the first and only such plant currently operating on an industrial scale. The partnership between NextChem and GranBio combines the exclusive development and co-licensing of the technology to convert agricultural waste and residues into second-generation bioethanol, leveraging NextChem's engineering and technology expertise and the Group's EPC (engineering, procurement, and construction) experience, global presence and extensive integrated service offerings. Validated technologies such as GP3+® will play a significant role in the development of a new industrial infrastructure for sustainable mobility, which is needed to meet the EU's 2035 targets. NextChem and GranBio will continue to contribute to the process of decarbonizing the fuel sector in an efficient and cost-effective way, moving towards carbon neutrality.

FEASIBILITY STUDY FOR SAF PRODUCTION BASED ON NEXTCHEM TECHNOLOGY INITIATIVES IN NIGERIA

On June 28, 2022, Maire Tecnimont announced the awarding of a feasibility study for the production of SAF (sustainable aviation biofuel) based on NextChem technology, to be undertaken at the Port Harcourt refinery in Nigeria and using organic waste as feedstock.

USD 300 MN EPC CONTRACT FOR LOW CARBON AMMONIA SYNLOOP PLANT IN GULF REGION OBTAINED BY GROUP COMPANY TECNIMONT IN COOPERATION WITH NEXTCHEM.

On July 7, 2022, Maire Tecnimont S.p.A. announced that its subsidiary Tecnimont S.p.A., in collaboration with sister company NextChem S.p.A., had been awarded an EPC Lump Sum Turn-Key contract for a low-carbon ammonia synloop plant to be built in the Gulf region. The value of the contract is about USD 300 million and the scope of work includes engineering activities, supply of all materials and equipment, and construction activities. Tecnimont has been contracted to start project engineering work immediately; the start date for procurement and construction work will be confirmed later when a final investment decision is reached. The project envisions a synloop plant of approximately 3,000 tons per day of ammonia (1 million tons per year) with low emissions, and the project is scheduled for completion by H2 2025.

BLUE AMMONIA SYNLOOP (USA)

In March 2022, Tecnimont S.p.A., in partnership with its sister company Nextchem S.p.A., was awarded a project on an EPCM (Engineering, Procurement and Construction Management) basis by a major international chemical manufacturer to build a blue ammonia plant in the United States. The initiative is part of the country's industrial development plans in the energy transition sector, through Maire Tecnimont's cooperation with the main players in the natural resources transformation industry. The contract value is approx. USD 230 million. The plant includes a synloop unit with a capacity of 3,000 tons per day of blue ammonia, as well as related facilities and auxiliary units. The facility is scheduled for completion in 2025. The contract covers all engineering activities and supply of materials and equipment and supervision of the work, while construction activities will be performed by a third party and governed by a different contract issued by the client.

CONTRACT WITH STORENGY FOR BIOMETHANE PRODUCTION FROM WOOD WASTE PYROGASIFICATION

On July 11, 2022, NextChem reached an agreement with Storengy (ENGIE) for an engineering services study for a new biomethane production process from wood waste pyrogasification.

Once the investment authorization (expected by the end of 2022) and related permits are obtained, NextChem, in collaboration with another Maire Tecnimont Group subsidiary, will act as EPC contractor for the methanation unit of the project to be built in the port of Le Havre, France. Storengy, a subsidiary of ENGIE, is one of the world leaders in underground natural gas storage. With more than 70 years of experience, Storengy designs, develops and operates storage facilities and offers its clients innovative products. Storengy aspires to be the European reference point for hydrogen storage and renewable gas production, priority areas in today's market for a clean, safe and economically-minded energy transition. NextChem will be responsible for the engineering and cost estimation for the gas purification, methanation unit, and methane upgrading of the plant, which will produce 11,000 tons of renewable, low-carbon natural gas (biomethane) per year. The French company COMESSA will design and supply the chemical methanation reactor. The technology that will be applied has already been successfully tested at ENGIE's Gaya pilot plant near Lyon, which demonstrated the feasibility of biomethane production. The plant will be the world's first commercial project to inject methane into the grid, using pyrogasification of wood waste and thus marking the start of "second-generation biomethane." NextChem and Storengy will also agree on a broader cooperation under which NextChem would act as a strategic partner, co-developer and co-licensee of the Gaya technology currently owned by ENGIE.

NEXTCHEM WINS FEED FOR ADVANCED MECHANICAL RECYCLING PLANT FOR MUNICIPAL PLASTIC WASTE IN EUROPE

On August 1, 2022, NextChem announced that it has been awarded a Front-End Engineering Design (FEED) contract by a leader in the plastics and chemicals industry for an advanced mechanical recycling facility for municipal plastic waste in Europe. The aim of the project is to build an advanced mechanical recycling plant for the production of polyolefins with up to 100% post-consumer recycled material content. The plant's plastic waste treatment capacity will be up to 75,000 tons per year. NextChem will be responsible for Front-End Engineering Design, while also supporting the client in the development of the execution phase. FEED is expected to be completed by mid-2023. On completion, the plant will be one of the largest advanced mechanical recycling sites in the world.

MYRECHEMICAL WINS CONTRACT FROM ALIA ENVIRONMENTAL SERVICES FOR A METHANOL AND HYDROGEN FROM WASTE PLANT IN EMPOLI, ITALY

On August 8, 2022, Myrechemical, a wholly-owned subsidiary of NextChem, was awarded an engineering contract for a methanol and hydrogen from waste plant. The scope of work includes the basic engineering of the plant and the documentation required to begin the authorization process in the Tuscany Region. The basic engineering phase will be completed by the end of 2022. Once licensed and completed, the plant will process 256,000 tons per year of non-recyclable waste and produce 125,000 tons per year of methanol and 1,400 tons per year of hydrogen. The plant will be based on MyRechemical's chemical conversion technology, which enables the recovery of waste that cannot be mechanically recycled or other types of undifferentiated dry waste (Secondary Solid Fuel - SSF). The carbon and hydrogen contained in the waste are recovered through a chemical conversion process into synthesis gas, which is used to produce low-carbon methanol and hydrogen. The process avoids the emission of pollutants into the atmosphere. Methanol is used as an alternative fuel for sustainable mobility or as a secondary raw material in the chemical and manufacturing industries. Hydrogen can be used in industrial processes to decarbonize energy-intensive and hard-to-abate industries.

NEXTCHEM WINS A PRE-FEED OF ENGINEERING SERVICES FOR AN INTEGRATED RENEWABLE HYDROGEN AND GREEN AMMONIA PLANT FROM MADOQUAPOWER2X IN SINES, PORTUGAL

On September 6, 2022, NextChem was awarded an engineering services contract (Pre-FEED) by MadoquaPower2X - the Portuguese/Dutch/Danish consortium led by Madoqua Renewables, CIP Energy Transition Fund and Power2X - to develop an integrated renewable hydrogen and green ammonia plant in Sines, Portugal. The agreement was signed during Gastech in the presence of His Excellency João Galamba, Secretary of State for the Environment and Energy - Government of Portugal. The scope of engineering services includes preliminary studies, technology and process review, modularity and logistics analyses, and engineering activities required for project authorization procedures. MadoquaPower2X will use renewable energy and a 500 MW electrolysis capacity to produce 50,000 tons of green hydrogen annually, which will feed a green ammonia plant with a capacity of 500,000 tons per year and a CO2 emission reduction of 600,000 t/y in this first phase. It is the first project to be executed at Sines' future industrial-scale energy and technology hub. The consortium is committed to developing, executing and operating the project according to the highest environmental and safety standards. The plant will be located in Portugal's Sines Industrial Zone (ZILS) and will generate economic growth based on an activity classified as sustainable according to the latest European Taxonomy. The project seeks to create a supply chain for exports between the Port of Sines (Portugal) and north-western Europe.

NEXTCHEM AWARDED €194 MILLION GRANT UNDER THE "IPCEI Hy2USE" EUROPEAN PROJECT FOR THE DEVELOPMENT OF THE WORLD'S FIRST WASTE TO HYDROGEN PLANT

On September 22, 2022, NextChem announced that under the "IPCEI Hy2Use" European project a grant of €194 million was awarded for the development of a waste-to-hydrogen plant. The project creates Rome's Hydrogen Valley, the first industrial-scale technology incubator for the development of a national supply chain for the production, transport, storage and use of hydrogen for the decarbonization of industrial processes and sustainable mobility. The grant will be disbursed during the construction period of the facility. The next steps involve beginning the design work and all necessary permitting, so as to ensure that the works will enter into operation in the first half of 2027, as required by the European funding. In the initial phase, 1,500 tons/year of hydrogen and 55,000 tons/year of ethanol are expected to be produced. Hydrogen production will grow in line with demand, rising to 20,000 tons per year, while reducing ethanol volumes proportionally. NextChem's proprietary technology, developed by its subsidiary MyRechemical, will allow 200,000 tons/year of non-recyclable solid waste to be used as raw material, thus also contributing to closing Rome's waste cycle through a conversion process which significantly cuts total CO2 emissions. The European project also includes a contribution of approx. €4 million earmarked for research activities for the further development of waste-to-hydrogen technology, drawing on scientific partners including Enea, the Bruno Kessler Foundation and La Sapienza University of Rome. The IPCEI grant supports activities carried out by those involved in the execution of Important Projects of Common European Interest (IPCEI). The Fund, supported by the Italian Ministry for Economic Development, will allow the Maire Tecnimont Group's industrial project to become a global best practice for leveraging waste and the production of hydrogen and other chemicals for a significant cutting of CO2 emissions.

NEXTCHEM LAUNCHES ENGINEERING PHASE OF HYDROGEN VALLEY IN ROME (IPCEI HY2USE) AND AWARDS CONTRACT TO LANZATECH FOR PROCESS DESIGN FOR CIRCULAR ETHANOL UNIT

On October 24, 2022, NextChem awarded Lanzatech a contract for the process design of the circular ethanol unit. The contract concerns NextChem's Hydrogen Valley syngas fermentation section to produce circular ethanol as an initial co-product together with TM Circular Hydrogen. LanzaTech is a world leader in gas fermentation and the production of sustainable fuels and chemicals through the biological conversion of carbon emissions, including industrial waste gases. LanzaTech's experience in fermentation scale-up, reactor design, machine learning and synthetic biology has enabled the company to commercialize its recycling process and demonstrate the production of 100 different chemicals.

POLYMER UPCYCLING PLANT OPEND IN ABU DHABI

On November 1, 2022, at the Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC), one of the natural resources industry's main international exhibitions, NextChem, through its subsidiary GCB Polymers, opened a new polymer (plastics) upcycling plant in the Kezad Industrial Zone in Abu Dhabi, United Arab Emirates. This new plant processes different types of polymers, from near-to-prime to end-of-plant production waste, and also recycled polymers. The plant is capable of both upgrading low-quality polymers (such as lower-range, and nonconforming products) and upcycling plastic residues into higher-value qualified polymers for specific industrial applications, making a real contribution to the development of the circular economy. Located between Dubai and Abu Dhabi in the largest industrial and free zone in the Middle East, the plant was built by GCB Polymers, a joint venture between NextChem, P2 Polymers and Polyme General Trading. GCB Polymers is a pioneering investor in the Kezad Polymers Park, an ecosystem covering the entire plastics value chain, located near the heart of the vast Kezad industrial zone, supporting the national program to build a new circular economy in the UAE and create value in the region. The GCB Polymers plant will make use of the nearby Khalifa Port to import and export products daily, reaching a maximum steady-state production of 180,000 tons per year over the next few years. These polymers can be used to make household products, garden furniture, pipes, packaging, and many other applications.

COLLABORATION AGREEMENT BETWEEN NEXTCHEM AND SUEZ FOR WASTE TO CHEMICALS TECHNOLOGY AND PROJECTS IN ITALY

On November 9, 2022, NextChem announced, through its company MyRechemical, the signing of a Memorandum of Understanding with the Italian branch of SUEZ International to develop the existing collaboration in Waste to Chemicals projects in Italy. The agreement was signed at Ecomondo, one of the main green and circular economy technology and industrial innovation events in Europe and the Mediterranean, and part of the European NextGenerationEU program. NextChem and SUEZ are already successfully collaborating on several projects and feasibility studies, including the Waste-to-Methanol & Hydrogen project in Empoli, promoted by Alia Environmental Services and based on NextChem's Waste-to-Chemicals technology. This agreement will lay the groundwork for SUEZ's possible participation as an industrial player and potential investor in other Waste-to-Chemicals projects promoted by NextChem in Italy, leveraging NextChem's technological expertise and SUEZ's international leadership in waste and water management.

OTHER CORPORATE EVENTS

SHAREHOLDERS' MEETING APPROVES FINANCIAL STATEMENTS AT DECEMBER 31, 2021, THE DISTRIBUTION OF A DIVIDEND AND THE APPOINTMENT OF NEW CORPORATE BOARDS FOR THE 2022-2024 THREE-YEAR PERIOD

On April 8, 2022 - The Shareholders' Meeting of Maire Tecnimont S.p.A. approved the 2021 Financial Statements of the company, which report net income of Euro 73,740,963.58 and the proposal to distribute a total dividend of Euro 60,105,084.74.

The Shareholders' Meeting also appointed the new Board of Directors of the company for the 2022-2024 three-year period, which will remain in office until the approval of the 2024 Annual Accounts, comprising: Fabrizio Di Amato, Pierroberto Folgiero, Gabriella Chersicla, Francesca Isgrò, Cristina Finocchi Mahne, Luigi Alfieri, Stefano Fiorini and Paolo Alberto De Angelis – from the slate presented by the majority shareholder GLV Capital S.p.A., holder of 167,665,134 ordinary shares of Maire Tecnimont, without nominal value, equal to 51.018% of the shares with voting rights, receiving 88.16% of votes – and Maurizia Squinzi – from the minority slate, jointly presented by a number of institutional investor shareholders indicated in the slate filed, holding a total 8,973,028 ordinary Maire Tecnimont shares, without nominal value, equal to 2.73035% of shares with voting rights.

The Shareholders' Meeting also confirmed Mr. Fabrizio Di Amato as Chairman of the Board of Directors.

The Directors Gabriella Chersicla, Francesca Isgrò, Cristina Finocchi Mahne, Paolo Alberto De Angelis and Maurizia Squinzi declared that they meet the independence requirements in accordance with law and the Corporate Governance Code.

On the new Maire Tecnimont Board of Directors, 4 members belonging to the less-represented gender were elected, in compliance with the applicable gender balance legislation.

The Shareholders' Meeting also appointed the new Board of Statutory Auditors for the 2022-2024 three-year period, which will remain in office until the approval of the 2024 Annual Accounts, comprising: Francesco Fallacara (Chairperson), from the minority slate presented jointly by a number of institutional investor shareholders indicated in the slate filed, holding a total of 8,973,028 ordinary shares of Maire Tecnimont, without nominal value, equal to 2.73035% of shares with voting rights, Andrea Bonelli and Marilena Cederna (Statutory Auditors), both from the slate presented by the majority shareholder GLV Capital S.p.A., holder of a total of 167,665,134 ordinary shares of Maire Tecnimont, without nominal value, equal to 51.018% of the shares with voting rights, which received 88.16% of the votes.

The Alternate Auditors Massimiliano Leoni and Mavie Cardi were appointed from the majority slate, while the Alternate Auditor Andrea Lorenzatti was appointed from the minority slate.

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 2022 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 2022 Remuneration Policy;

- pursuant to Article 114-*bis* of the CFA, the adoption of an incentive plan named "2022-2024 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 - with prior revocation of the authorization granted by the Shareholders' Meeting of April 15, 2021 for the portion not executed - 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 in the Report of the Board of Directors.

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.

MAIRE TECNIMONT BOARD OF DIRECTORS' MOTIONS

On April 8, 2022, the Board of Directors of Maire Tecnimont S.p.A., noted the confirmation of Fabrizio Di Amato as Chairperson of the Board of Directors by the Shareholders' Meeting, confirming his appointment and the allocation of powers in accordance with statutory law and the By-Laws, including in particular, the undertaking of institutional relations and external relations and the oversight of implementation of the strategic and sustainability plans approved by the Board of Directors.

The Board of Directors also confirmed Pierroberto Folgiero as Chief Executive Officer and General Manager, granting him - as Chief Executive Officer (CEO), i.e. the person with greatest responsibility for the company's management and, as such, entrusted also with the setting up and maintenance of the internal control and risk management system - executive functions for the management and coordination of Group operations.

The Board of Directors also assessed, on the basis of the information available and the declarations provided by the interested parties, and having confirmed that all Directors meet the requirements of the applicable rules and regulations, in addition to the By-Laws of Maire Tecnimont to hold the position of company director, in addition to - taking account of recommendation No. 7 of the Corporate Governance ("Code") and the quantitative-qualitative criteria defined by the Board of Directors in implementation of this recommendation - the meeting of the independence requirements set out under law and the Code by the Directors Gabriella Chersicla, Paolo Alberto De Angelis, Cristina Finocchi Mahne, Francesca Isgrò and Maurizia Squinzi.

The Board of Statutory Auditors, also meeting on the same date, having verified the correct application of the declaration criteria and procedures adopted by the Board of Directors to assess the independence of its non-executive members, verified the meeting by its members Francesco Fallacara, Andrea Bonelli and Marilena Cederna of the professionalism and good-standing requirements, in addition to the independence requirements under law and the Code, also taking account of the quantitative-qualitative criteria defined by the Board of Directors in implementation of recommendation No. 7, applicable also to Statutory Auditors.

In addition, the Board of Directors, in implementation of recommendation No. 13 of the Code, where the requirements are met - appointed the non-executive independent director Francesca Isgrò as the Lead Independent Director.

The Board of Directors also confirmed the establishment of the following Committees, appointing the members:

(i) Control, Risks and Sustainability Committee, comprising the non-executive independent Directors Gabriella Chersicla (Chairperson) and Maurizia Squinzi and the non-executive Director Stefano Fiorini, all with appropriate accounting and financial or risk management experience;

(ii) Remuneration Committee, comprising the non-executive independent Directors Paolo Alberto De Angelis (Chairperson) and Francesca Isgrò and the non-executive Director Luigi Alfieri, all of whom have adequate knowledge and experience in financial matters or remuneration policies;

(iii) Related Parties Committee, comprising the Directors, all non-executive and independent, Gabriella Chersicla (Chairperson), Cristina Finocchi Mahne and Paolo Alberto De Angelis.

Following the resignation of Dario Michelangeli as Executive Officer for financial reporting with effect from today, on conclusion of the Shareholders' Meeting, the Board of Directors, having received the favourable opinion of the Board of Statutory Auditors, in addition appointed until revocation Alessandro Bernini, Group Chief Financial Officer of Maire Tecnimont, as the new Executive Officer for financial reporting, granting the powers set out under the applicable provisions and the By-Laws.

Dario Michelangeli shall continue in his role as the Administration and Financial Statements Vice President of the company.

The Board of Directors also appointed until revocation Simona Dolce, Secretary of the Board of Directors of the company and Erica Vasini as Internal Audit Manager.

Finally, the Board of Directors, following the conclusion of mandate of the previous board, appointed to the company's Supervisory Board as per Legislative Decree 231/2001, Franco Rossi Galante (Chairperson), Iole Anna Savini and Erica Vasini. The Supervisory Board will remain in office until approval of the 2024 Annual Accounts.

ALESSANDRO BERNINI APPOINTED NEW CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER OF MAIRE TECNIMONT

On April 21, 2022 - The Board of Directors of Maire Tecnimont S.p.A., noting i) the resignation of Pierroberto Folgiero as company Director, Chief Executive Officer and General Manager of the company, with effect from May 15, 2022, and ii) the unavailability of Alessandra Conte to accept the position - the first unelected candidate from the slate from which Pierroberto Folgiero was taken - co-opted, in accordance with Article 2386 of the Civil Code, as a new non-Independent Director of the company Alessandro Bernini, the company's Chief Financial Officer since 2013, in addition appointing him as the new Chief Executive Officer and General Manager of Maire Tecnimont.

Moreover, the Board granted Alessandro Bernini - in his capacity as Chief Executive Officer i.e. the person with greatest responsibility for the company's management and, as such, entrusted also with the setting up and maintenance of the internal control and risk management system - executive functions for the management and coordination of Group operations. The motions passed today by the Board of Directors shall have effect from May 15, 2022. Alessandro Bernini will remain in office, in accordance with the law, until the next Shareholders' Meeting of the Company. Alessandro Bernini today resigned, with effect from May 15, 2022, his position as the executive officer for financial reporting. The Board of Directors shall subsequently appoint a new Executive Officer as his replacement. With regards to Pierroberto Folgiero, he resigned his duties having accepted the position of company director considered independent and with the specific professional expertise required for the position of Chief Executive Officer at another listed issuer. In line with the remuneration policy approved for 2022, no indemnities and/or other benefits are provided in favor of Pierroberto Folgiero following his conclusion of office as Chief Executive Officer of the company and the conclusion of his employment with Maire Tecnimont as the General Manager, except for that provided under the applicable regulations concerning the termination of employment.

FABIO FRITELLI NEW GROUP CHIEF FINANCIAL OFFICER, APPOINTED AS COMPANY'S EXECUTIVE OFFICER FOR FINANCIAL REPORTING

Following Alessandro Bernini's resignation on April 21, 2022 from the position of Executive Officer for Financial Reporting, effective May 15, 2022, the Board of Directors, having obtained the favourable opinion of the Board of Statutory Auditors, appointed Fabio Fritelli as the new Executive Officer for Financial Reporting until revocation, effective May 15, 2022, granting him the powers provided by the applicable provisions and the By-Laws. Fabio Fritelli - currently the Company's Finance Vice President, a role he has held since July 1, 2014 - will also go on to serve as Maire Tecnimont Group Chief Financial Officer, effective May 15, 2022. We note that, effective May 15, 2022, Alessandro Bernini will take up the positions of Non-Independent Director, Chief Executive Officer, and General Manager of the Company.

CONCLUSION OF THE TREASURY SHARE BUY-BACK PLAN IN SERVICE OF THE SECOND CYCLE (2021) OF THE "2020-2022 GENERAL SHARE PLAN FOR MAIRE TECNIMONT GROUP EMPLOYEES"

On June 27, 2022 - as part of the share buyback program, pursuant to Article 5 of Regulation (EU) No. 596/2014 (the "MAR"), disclosed to the market on June 17, 2022 and launched on June 20, 2022 for a maximum of 1,000,000 ordinary shares (the "Program") in service of the Second Cycle (2021) of the "2020-2022 General Share Plan for Maire Tecnimont Group employees" adopted by the Company (the "Plan"), Maire Tecnimont S.p.A. (the "Company" or "Maire Tecnimont") hereby announces - pursuant to and for the purposes of Article 2(3) of Commission Delegated Regulation (EU) No. 2016/1052 of March 8, 2016 ("EU Regulation 1052") - that it purchased on the Euronext Milan market organized and managed by Borsa Italiana S.p.A, in the period between June 20, 2022 and June 23, 2022 inclusive, a total of 1,000,000 treasury shares (corresponding to 0.304% of the total number of the Company's outstanding ordinary shares), at a weighted average price of Euro 2.915 for a total of Euro 2,914,941.15. We note that the shares in service of the Plan have been purchased and as such the relevant Program has been completed.

UPDATE TO THE PRICING OF MAIRE TECNIMONT S.P.A.'S EURO COMMERCIAL PAPER PROGRAM

On December 19, 2022 - With reference to the Euro Commercial Paper Program (the "ECP Program" or the "Program") for the issuance of one or more non-convertible notes (the "Notes") launched by Maire Tecnimont S.p.A. (the "Company") on December 16, 2021, the Company's Board of Directors, meeting on that date, resolved to update the pricing of the Program in order to better reflect the changed market conditions, without prejudice to the other terms and conditions of the Program.

Specifically, the notes may have fixed or floating rate coupons. The cost of each individual note will be determined at the time of note issuance and in any case may not exceed 6% p.a. Notes may be issued at a discount or premium and may not be less than 94% or more than 106% of the face value of the note.

It is recalled that the ECP Program - launched in order to diversify the Company's short-term financing instruments, thereby obtaining a wider choice of funding sources and optimizing debt management in terms of maturity profile and pricing - is placed with selected institutional investors, is unrated and has a duration of three years from the launch date. The maximum aggregate amount of Notes issued and not redeemed under the ECP shall not exceed, at any time, Euro 150,000,000.

For further details on the Program, please refer to the documentation already made available to the public on the Company's website (www.mairetecnimont.it), in accordance with the laws and regulations applicable to the Program.

3. Investor information

MAIRE TECNIMONT S.P.A. SHARE CAPITAL AT DECEMBER 31, 2022

	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

ECONOMIC OVERVIEW

In 2022, the general market was shaped by the international geopolitical tensions following the outbreak of the conflict in Ukraine, and to a lesser extent by the indirect effects from COVID-19. The latter have however gradually eased compared to the preceding years.

Financial market tensions were also on the rise in 2022, following announcements by the central banks of interest rate increases, linked to escalating inflation.

The stock market indices have evidently been impacted by this unfavorable general economic and geopolitical environment. The FTSE MIB and Euro Stoxx 600 indices have therefore respectively lost approx. 15% and 13% in 2022.

MAIRE TECNIMONT

The Maire Tecnimont share in 2022 was impacted by this challenging general economic and geopolitical environment, declining 26% on an annual basis, although placing in the median against the share prices of its main European competitors.

The Maire Tecnimont share price particularly declined from the second half of January 2022 and is partially due to the news published in a number of press outlets on an integration plan with Saipem - which was promptly denied by Maire Tecnimont - although was mainly impacted by the outbreak of the conflict in Ukraine, which resulted in the imposition of a series of restrictions and specific sanctions on the Russian Federation which heightened financial market tensions.

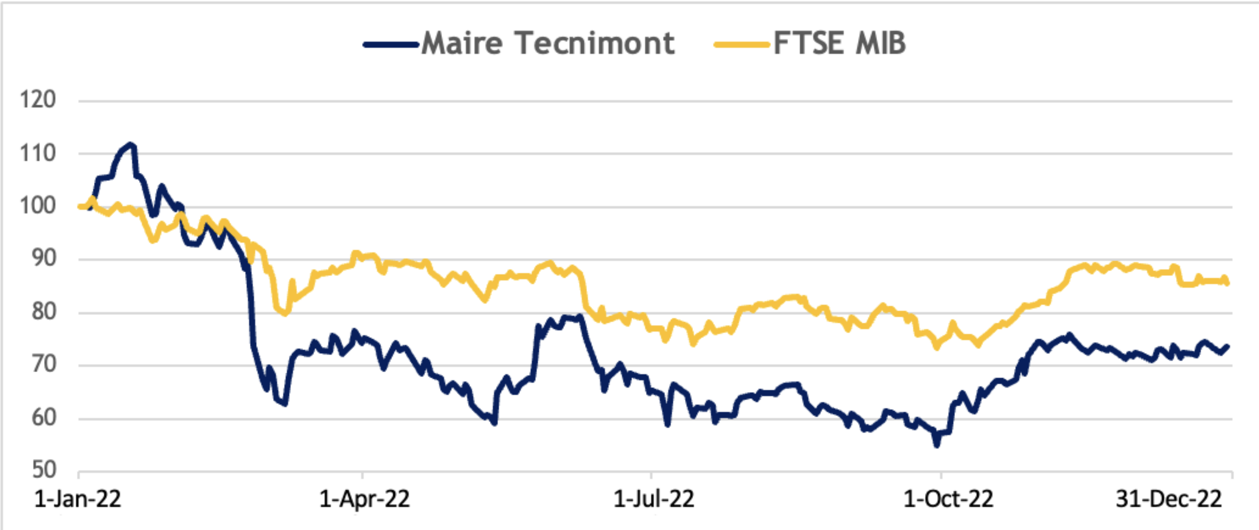
Despite the sequential interest rate increases by the central banks which pushed share valuations down in 2022, the decrease in the Group's share price in the first nine months of last year was partially recovered thanks to the strong operating-financial results reported by the company, in addition to the continuous increase in order acquisition throughout 2022. These were among the Group's record annual orders, with the awarding of major projects which support the regional and client diversification strategy, while also the Group's positioning in terms within the technological development of the Energy Transition and Green Chemistry, and an integrated Business Model focused on the creation of Sustainable Value.

Maire Tecnimont in 2022 maintained ongoing investor relation activities, using hybrid methods of interaction, i.e. both virtual and in-person. Maire Tecnimont in 2022 met nearly 140 investors at the world's major stock exchanges.

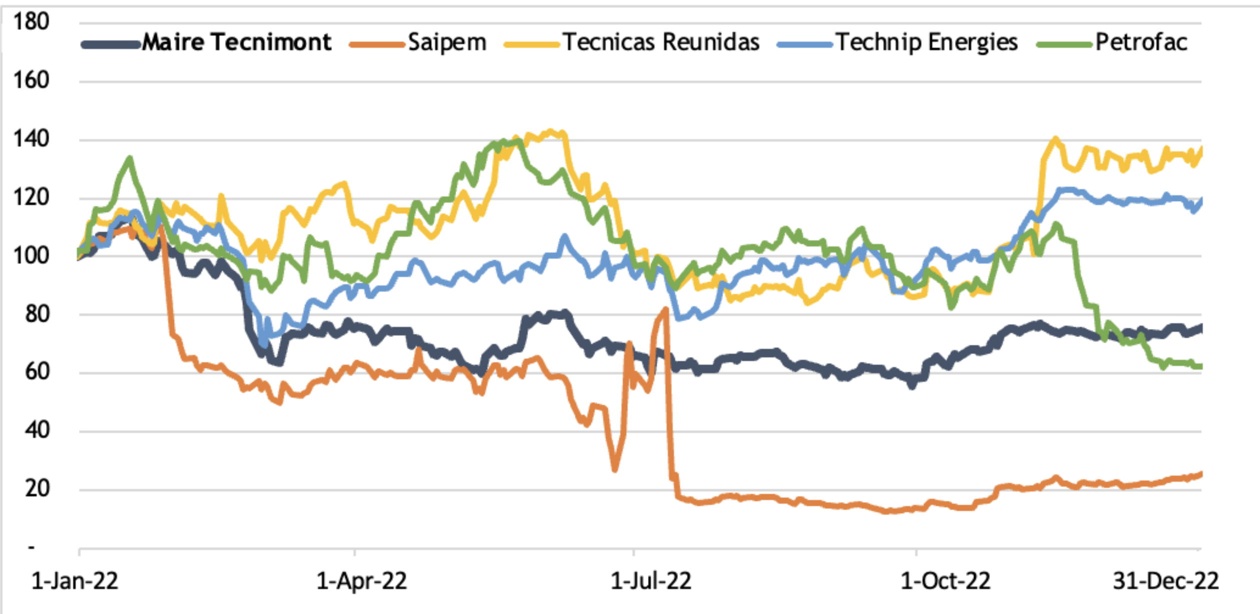
The average daily trading volume in 2022 was 0.9 million shares, at an average price of Euro 3.0673.

Milan Stock Exchange ordinary share price (Euro)	01/01 - 31/12/2022
Maximum (January 17, 2022)	4.716
Minimum (September 29, 2022)	2.32
Average	3.0673
Year-end (December 31, 2022)	3.102
Stock market capitalization (at December 31, 2022)	1,019,442,620

Maire Tecnimont 2022 share performance against the FTSE MIB



Maire Tecnimont 2022 share performance against our main competitors.



4. Group operating performance

The Maire Tecnimont Group 2022 key financial highlights (compared to the previous year) are reported below:

(in Euro thousands)	*NOTE (*)*	2022	%	2021	%	Change	%
Performance indicators:							
Revenues	27.1-2	3,463,723		2,864,782		598,942	20.9%
Business Profit (**)	27.3	298,694	8.6%	255,724	8.9%	42,970	16.8%
EBITDA (***)	27.3	209,317	6.0%	173,732	6.1%	35,585	20.5%
EBIT		157,989	4.6%	129,959	4.5%	28,029	21.6%
Net financial expense	27.10-11-12	(28,892)	(0.8%)	(16,124)	(0.6%)	(12,768)	79.2%
Income before tax		129,097	3.7%	113,835	4.0%	15,263	13.4%
Income taxes	27.13	(38,744)	(1.1%)	(33,363)	(1.2%)	(5,381)	16.1%
Tax rate		(30.0%)		(29.3%)		N/A	
Net income		90,353	2.6%	80,471	2.8%	9,882	12.3%
Group net income		89,890	2.6%	83,301	2.9%	6,589	7.9%

(*) 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 operating performance for the Maire Tecnimont Group in 2022 saw a 20.9% increase in production volumes over the previous year.

The increased volumes reflect the expected development of projects in the extensive backlog, thanks both to the progression to the processing phases capable of expressing higher volumes for projects already under execution and the start-up of recently acquired projects.

Production in 2022, although significantly up on 2021 due to the reasons outlined, was impacted from February by the sanctions introduced as a result of the Russia-Ukraine crisis. The major recently-acquired projects located in areas not impacted by the geopolitical tensions have progressed ahead of schedule following an acceleration of their initial phases, principally centering on the design and start-up of critical material procurement activities.

The Group reports a Business Profit of Euro 298.7 million for 2022, up 16.8% on Euro 255.7 million in the previous year, as a consequence of the higher volumes in the year. The Consolidated Business Margin in 2022 was 8.6%, in line with all the quarters of 2022, although reducing on 2021 due to a different mix of projects under execution which are not yet significantly affected by the margins of the recent new acquisitions.

General and administrative costs amounted to Euro 80 million (Euro 72.9 million in 2021), an increase on the previous year, following the strengthening of the structure to support the overall increase in Group operations. They accounted for 2.3% of consolidated revenues in 2022, substantially in line with all the quarters of 2022 but significantly reducing on 2.5% in 2021.

Thanks also to a highly efficient cost structure, net of R&D costs of approx. Euro 9.4 million (Euro 9.1 million in 2021), the Group reports EBITDA of Euro 209.3 million, up 20.5% on the previous year (Euro 173.7 million), essentially due to higher volumes. The margin of 6% was substantially in line with 2021 and with the average margin for EPC projects also over recent quarters.

Amortization, depreciation, write-downs and provisions totaled Euro 51.3 million (Euro 24.6 million concerning the depreciation of the right-of-use - leasing recognized as per IFRS 16), increasing on the previous year (Euro 43.8 million), following the beginning of depreciation on new assets for the digitalization of industrial processes and due to increased doubtful debt provisions, as a result the Russia-Ukraine crisis which impacted the ratings of certain clients.

As a result of that outlined above, 2022 EBIT was Euro 158 million, increasing 21.6% on the previous year (Euro 130 million) and with a margin of 4.6%, slightly increasing on 2021.

The net financial result presents expenses of Euro 28.9 million (net expense of Euro 16.1 million in 2021). The 2022 figure reflects the negative contribution of the net valuation of derivative instruments for Euro 6.5 million, which had a positive contribution of Euro 10 million in the previous year, resulting therefore in a negative differential of approx. Euro 16.5 million.

Pure financial management, adjusted for the above-mentioned effects in 2022, was substantially in line with the previous year as a result of increased interest expense recognized on a higher average gross debt, which was impacted also by the general increase in market interest rates, offset however by higher interest income, thanks to increased liquidity, which also in this case benefited from higher interest rates.

Income before taxes amounted to Euro 129.1 million, with estimated income taxes of Euro 38.7 million, increasing approx. Euro 5.4 million, essentially due to higher income before taxes than the previous year, driven by a strong operating performance in 2022. The effective tax rate was approx. 30%, in line with all the quarters throughout 2022, based on the various countries in which Group operations are carried out. The tax rate in the previous year had been positively affected by the recognition of deferred tax assets following the exercise of the option to realign the tax value of certain business assets to the higher carrying amount recorded in the financial statements, as provided for in Decree-Law 104/2020, Article 110.

2022 consolidated net income was Euro 90.4 million (Euro 80.5 million in 2021), up 12.3% as a result of that outlined above. The consolidated revenue margin in 2022 was 2.6%.

Group net income amounted to Euro 89.9 million, up 7.9% on 2021 (Euro 83.3 million).

<u>ALTERNATIVE PERFORMANCE INDICATORS</u>

In compliance with CONSOB Communication No. 0092543 of December 3, 2015, indications are provided below in relation to the composition of the performance measures 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

<u>INTRODUCTION</u>

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) at December 31, 2022. The features of these sectors are outlined below:

I. **<u>"Hydrocarbons" Business Unit</u>** - designs and constructs plant, principally for the "natural gas chain" (involving separation, treatment, liquefaction, transport, storage, regasification and compression 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. **<u>"Green Energy" Business Unit</u>** - engaged in Green Acceleration initiatives managed by NextChem and its subsidiaries, in addition to other Group companies based on the specific expertise required by the market for (i) targeted initiatives in the circular economy through the mechanical recycling of plastics and by promoting chemical recycling, (ii) the "Greening the Brown" to mitigate the environmental impacts of oil and gas processing, including through CO2 capture and cutting the carbon footprint of fertilizers produced under its own licenses, and (iii) the "Green - Green" to develop additives or petroleum substitutes for fuels or plastics from renewables for which the Group holds proprietary technologies or agreements for the exclusive use of third-party technologies. The Group is also engaged in the renewable energy sector (mainly solar and wind) for large-scale initiatives and in maintenance services, facility management, the provision of general services related to temporary site facilities, and the design and construction of infrastructure works.

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 2022 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
2022						
Revenues	3,157,628		306,095		3,463,723	
Business Margin	258,423	8.2%	40,271	13.2%	298,694	8.6%
EBITDA	181,396	5.7%	27,921	9.1%	209,317	6.0%
2021						
Revenues	2,779,160		85,621		2,864,782	
Business Margin	242,693	8.7%	13,030	15.2%	255,724	8.9%
EBITDA	168,454	6.1%	5,278	6.2%	173,732	6.1%
Change December 2022 vs 2021						
Revenues	378,468	13.6%	220,474	257.5%	598,942	20.9%
Business Margin	15,729	6.5%	27,241	209.1%	42,970	16.8%
EBITDA	12,942	7.7%	22,643	429.0%	35,585	20.5%

HYDROCARBONS BUSINESS UNIT

FY 2022 revenues amounted to Euro 3,157.6 million (Euro 2,779.2 million in FY 2021), up 13.6% on the previous year.

Revenues reflect the development of the existing large 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 and the initial start-up of new orders. Production in 2022 - although up significantly on 2021, for the reasons outlined - was impacted from the end of February by the effects of the sanctions introduced as a result of the Russia-Ukraine crisis.

The other major, recently acquired projects, which are in regions not impacted by current geopolitical tensions, have however made greater progress than originally forecast following an acceleration from the initial stages of these projects, which mainly concerned planning and the start of procurement of critical materials.

The "Hydrocarbons" Business Unit reports a Business Profit of Euro 258.4 million in 2022, up from Euro 242.7 million in the previous year, due essentially to the increase in business volumes for the period as described above. The Business Margin in 2022 was 8.2%, substantially in line with the preceding quarters of 2022, although reducing on 2021 due to a different mix of projects under execution which are not yet significantly affected by the margins of the recent new acquisitions.

The "Hydrocarbons" Business Unit, also taking account of general and administrative and R&D costs, in 2022 reports EBITDA of Euro 181.4 million, up 7.7% on the EBITDA for the previous year (Euro 168.5 million) - essentially due to higher volumes in 2022, as discussed above. The margin was 5.7%, reducing on 2021.

GREEN ENERGY BUSINESS UNIT

2022 revenues totaled Euro 306.1 million, up 257.5% on the previous year (Euro 85.6 million in 2021), due both to an increase in the activities related to the energy transition (thanks to the co-operation agreements signed with a number of Italian and overseas counterparties) and to the restart of some activities in energy efficiency services that had previously slowed due to effects of the pandemic. Finally, as outlined in the preceding quarters of 2022, the "Green Energy" BU began seeing the results of a number of recently acquired projects that had not previously been categorized under this area of operations, as the "green" component of these projects qualifies them for this categorization based on the taxonomy.

The 2022 Business Profit was Euro 40.3 million (Euro 13 million in 2021), increasing on the previous year due to higher volumes and a differing production mix, as outlined above. Finally, the Business margin in 2022 was 13.2%, slightly reducing on 2021.

The "Green Energy" Business Unit, considering also general and administrative and R&D costs, reported EBITDA for 2022 of Euro 27.9 million, significantly increasing on the previous year (Euro 5.3 million for 2021), essentially due to the increased volumes in the period and an altered production mix, as outlined above.

REORGANIZATION: IMPACTS ON REPORTING

In the fourth quarter of 2022, the Group launched a reorganization against the backdrop of the broader social and industrial transformation underway globally, which has led to the Company and the Group reshaping its long-term strategies.

Specifically, the opportunity emerged to: 1) rationalize the Group’s "EPC" (Engineering, Procurement and Construction) production activities through a reduced number of corporate structures, in order to maximize i) economies of scope and synergies on projects with integrated technologies and processes, and ii) operational efficiencies and reduced overheads, and 2) strategically enhance the “licensing" and "high value added engineering" component - including the specific skills matured in the related "process engineering” field - now present in various Group companies, so as to present in clearer terms the growing importance of the technological component to stakeholders and the financial markets, especially in "green” projects and/or related to the "energy transition" underway globally. The need for the above is made all the more urgent in view of the European regulatory framework and its upcoming development, which are creating a new reality for European big business, also in view of the imminent introduction of additional drivers of change in environmental, social and climate strategy.

The launch of the "Industrial Reorganization Project" by the Group therefore redefines operations concentrated into two business units (“BUs”). Specifically: i) "Integrated E&C Solutions”, covering general contractor execution activities, so as to achieve economies of scope and synergies on projects with integrated technologies and processes, in addition to greater operational efficiency and reduced overheads. This BU may provide services or operate in partnership with the "Technology Solutions" BU, given the growing demand for sustainable investments. ii) "Technology Solutions”, covering all of the Group's sustainable technology solutions/operations, in addition to the high value-added/innovative services primarily focused on the energy transition and the “green acceleration”.

The "Technology Solutions” BU will focus on four separate industrial clusters of interest to the Group, namely: 1) Sustainable Nitrogen Solutions (sustainable and green fertilizers); 2) Sustainable Hydrogen and Circular Carbon Solutions (hydrogen and CO2 capture and utilization); 3) Sustainable Fuels and Chemicals (circular economy bio or synthetic fuels and e-fuels), and 4) Sustainable Polymers (recycled and bio polymers). The first cluster refers to the activity of the subsidiary Stamicarbon B.V., the second and third clusters will concern the operations of the subsidiary NextChem S.p.A. and its subsidiary MyRechemical S.r.l., while the fourth cluster will also concern NextChem S.p.A. and its subsidiary MyReplast Industries S.r.l. in addition to the newly acquired Conser S.p.A. and the NewCo with Biorenova S.p.A.

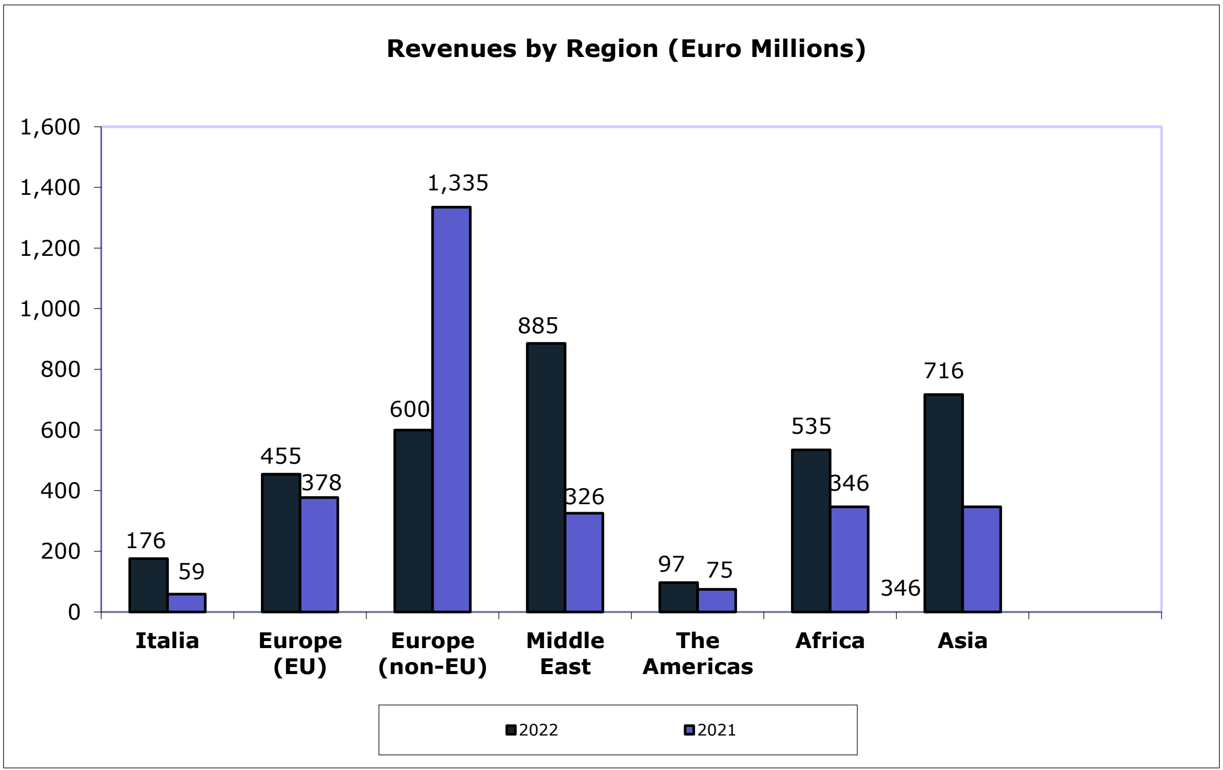
The Company, also in order to facilitate the financial market's understanding of the development of the operating/financial performance already presented during the 2022 quarters, as of December 31, 2022 and in continuity with the previous year maintains the reporting structure based on the two divisions Hydrocarbons and Green Energy. This choice also stems from the fact that the Group is completing the implementation of the control system in line with the new organizational structure by adjusting its reporting structure in accordance with IFRS 8.

VALUE OF PRODUCTION BY REGION:

The regional breakdown of Revenues in 2022 compared to the previous year is illustrated below:

(in Euro thousands)	2022		2021		Change	
	Total	%	Total	%	Total	%
Italy	176,076	5.1%	58,594	2.0%	117,482	200.5%
Overseas						
· Europe (EU)	454,565	13.1%	377,708	13.2%	76,857	20.3%
· Europe (non-EU)	599,526	17.3%	1,335,165	46.6%	(735,639)	(55.1%)
· Middle East	885,263	25.6%	326,097	11.4%	559,166	171.5%
· The Americas	96,904	2.8%	74,532	2.6%	22,373	30.0%
· Africa	534,900	15.4%	346,392	12.1%	188,508	54.4%
· Asia	716,488	20.7%	346,293	12.1%	370,195	106.9%
Total Consolidated Revenues	**3,463,723**		**2,864,782**		**598,942**	**20.9%**

The above table indicates the percentage of revenues by region, reflecting the current development of activities. As presented in the revenues table, the Middle East, Africa and Asia regions saw a recovery, particularly in India, following the start-up of newly acquired projects in these areas. Activities in non-EU countries, mainly Russia, as a result of the European sanctions, imposed since the beginning of the crisis until today, has made it increasingly complex to continue activities on ongoing projects until the gradual suspension of almost all operational activities at the end of the first half of the current year and in the third quarter of 2022 following also the additional sanctions against the Russian Federation and the almost impossibility to continue activities even on those projects previously suspended..



6. Backlog by Business Unit and Region

The following tables outline the Group's Backlog, broken down by Business Unit at December 31, 2022, net of third party shares and compared to the previous year:

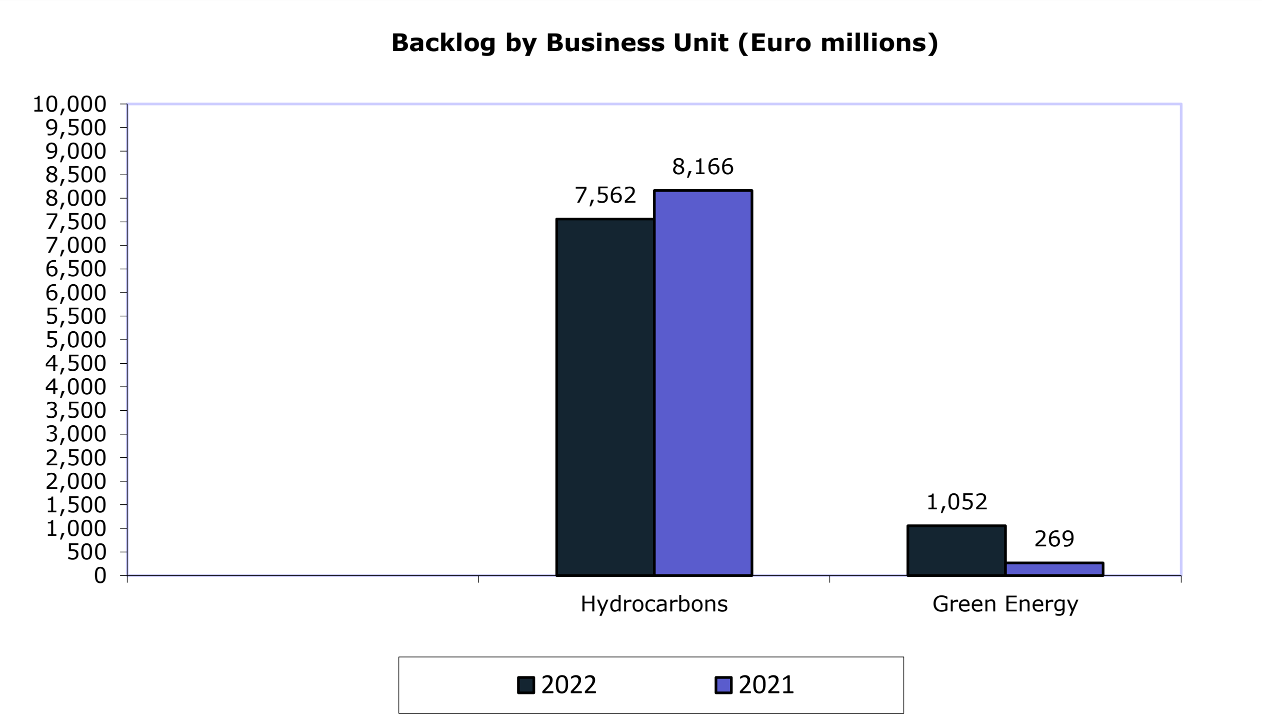
BACKLOG BY BUSINESS UNIT

(in Euro thousands)	Hydrocarbons	Green Energy	Total
Adjusted Initial Order Backlog at 01/01/2022 (*)	**8,166,092**	**269,275**	**8,435,367**
Adjustments/Eliminations (**)	(220,336)	255,341	35,005
2022 Order Intake	2,773,871	833,491	3,607,362
Revenues	3,157,628	306,095	3,463,723
Backlog at 31/12/2022	**7,561,999**	**1,052,011**	**8,614,010**

(*) In order to better represent the real Backlog dynamics, the amount at December 31, 2021 has been adjusted, taking into account the downward adjustments on the main Russian projects at September 30, 2022, amounting to approx. Euro 1,052.8 million. In the third quarter of 2022, also as a result of the additional sanction measures against the Russian Federation, it was impossible to continue activities even on those projects previously suspended. As a result, the residual value of related projects was removed from the Backlog.

(**) The adjustments/eliminations for 2022 mainly reflect those related to exchange rate effects on the portfolio and other minor adjustments. In relation to Green Energy they concern a reclassification of some recently acquired projects and initiatives, not previously classified in this operating segment, but featuring a green component including in view of the taxonomy criteria.

(in Euro thousands)	*Backlog at 31.12.2022*	*Backlog at 31.12.2021 (*)*	*Change December 2022 vs December 2021*	
Hydrocarbons	7,561,999	8,166,092	(604,093)	(7.4%)
Green Energy	1,052,011	269,275	782,736	290.7%
Total	**8,614,010**	**8,435,367**	**178,644**	**2.1%**



In 2022, the Maire Tecnimont Group won new projects and existing contract extensions worth approx. Euro 3,607.4 million. The Backlog at December 31, 2022 was Euro 8,614 million, increasing approx. Euro 178.6 million on the 2021 adjusted figure. It should be noted in this regard that in Q4 2021 the Group reported a record order intake.

BACKLOG BY REGION

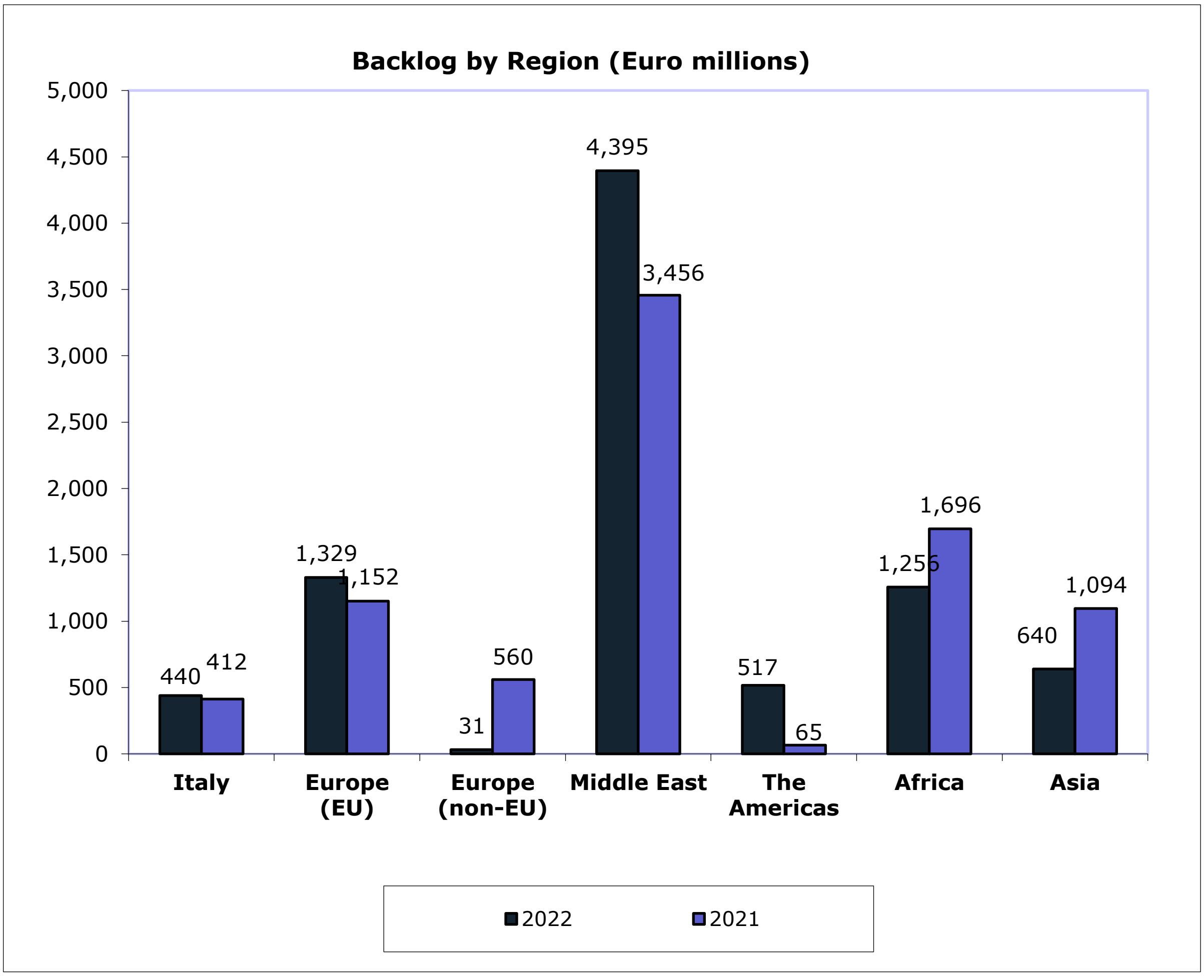
The Group Backlog broken down by region at December 31, 2022, and compared with the previous year is presented below:

(in Euro thousands)	Italy	Overseas							Total
		Europe (EU)	Europe (non-EU)	Middle East	The Americas	Africa	Asia	Other	
Adjusted Initial Order Backlog at 01/01/2022 (*)	**411,813**	**1,152,184**	**560,030**	**3,456,261**	**64,713**	**1,695,877**	**1,094,489**	**0**	**8,435,367**
Adjustments/Eliminations (**)	76,063	148,553	51,355	143,911	14,346	(533,659)	134,436	0	**35,005**
2022 Order Intake	128,063	482,852	19,457	1,680,591	534,750	628,732	127,737	5,180	**3,607,362**
Revenues net of third parties	(176,076)	(454,565)	(599,526)	(885,263)	(96,904)	(534,900)	(716,488)	0	**(3,463,723)**
Backlog at 31/12/2022	**439,863**	**1,329,025**	**31,316**	**4,395,499**	**516,904**	**1,256,050**	**640,174**	**5,180**	**8,614,010**

(*) In order to better represent the real Backlog dynamics, the amount at December 31, 2021 has been adjusted, taking into account the downward adjustments on the main Russian projects at September 30, 2022, amounting to approx. Euro 1,052.8 million. In the third quarter of 2022, also as a result of the additional sanction measures against the Russian Federation, it was impossible to continue activities even on those projects previously suspended. As a result, the residual value of related projects was removed from the Backlog.

(**) The adjustments/eliminations for 2022 mainly reflect those related to exchange rate effects on the portfolio and other minor adjustments. In relation to Green Energy they concern a reclassification of some recently acquired projects and initiatives, not previously classified in this operating segment, but featuring a green component including in view of the taxonomy criteria.

(in Euro thousands)	Backlog at 31.12.2022	Backlog at 31.12.2021 (*)	Change December 2022 vs December 2021	
Italy	439,863	411,813	28,050	6.8%
Europe (EU)	1,329,025	1,152,184	176,841	15.3%
Europe (non-EU)	31,316	560,030	(528,714)	(94.4%)
Middle East	4,395,499	3,456,261	939,238	27.2%
The Americas	516,904	64,713	452,191	698.8%
Africa	1,256,050	1,695,877	(439,827)	(25.9%)
Asia	640,174	1,094,489	(454,315)	(41.5%)
Other	5,180	0	5,180	n/a
Total	**8,614,010**	**8,435,367**	**178,644**	**2.1%**



ORDER INTAKE BY BUSINESS UNIT AND REGION

The table below outlines 2022 Group Order Intake broken down by Business Unit and Region and compared with the previous year:

(in Euro thousands)	2022	% of total	2021	% of total	Change 2022 vs 2021	
Order Intake by Business Unit						
Hydrocarbons	2,773,871	76.9%	6,327,180	98.4%	(3,553,309)	(56.2%)
Green Energy	833,491	23.1%	105,696	1.6%	727,795	688.6%
Total	**3,607,362**	**100%**	**6,432,876**	**100%**	**(2,825,514)**	**(43.9%)**
Order Intake by Region:						
Italy	128,063	3.6%	103,282	1.6%	24,781	24.0%
Europe (EU)	482,852	13.4%	662,588	10.3%	(179,736)	(27.1%)
Europe (non-EU)	19,457	0.5%	172,393	2.7%	(152,936)	(88.7%)
Middle East	1,680,591	46.6%	3,402,819	52.9%	(1,722,228)	(50.6%)
The Americas	534,750	14.8%	12,218	0.2%	522,532	4276.9%
Africa	628,732	17.4%	1,328,529	20.7%	(699,797)	(52.7%)
Asia	127,737	3.5%	751,047	11.7%	(623,310)	(83.0%)
Other	5,180	0.1%	0	0.0%	5,180	n/a
Total	**3,607,362**	**100%**	**6,432,876**	**100%**	**(2,825,514)**	**(43.9%)**

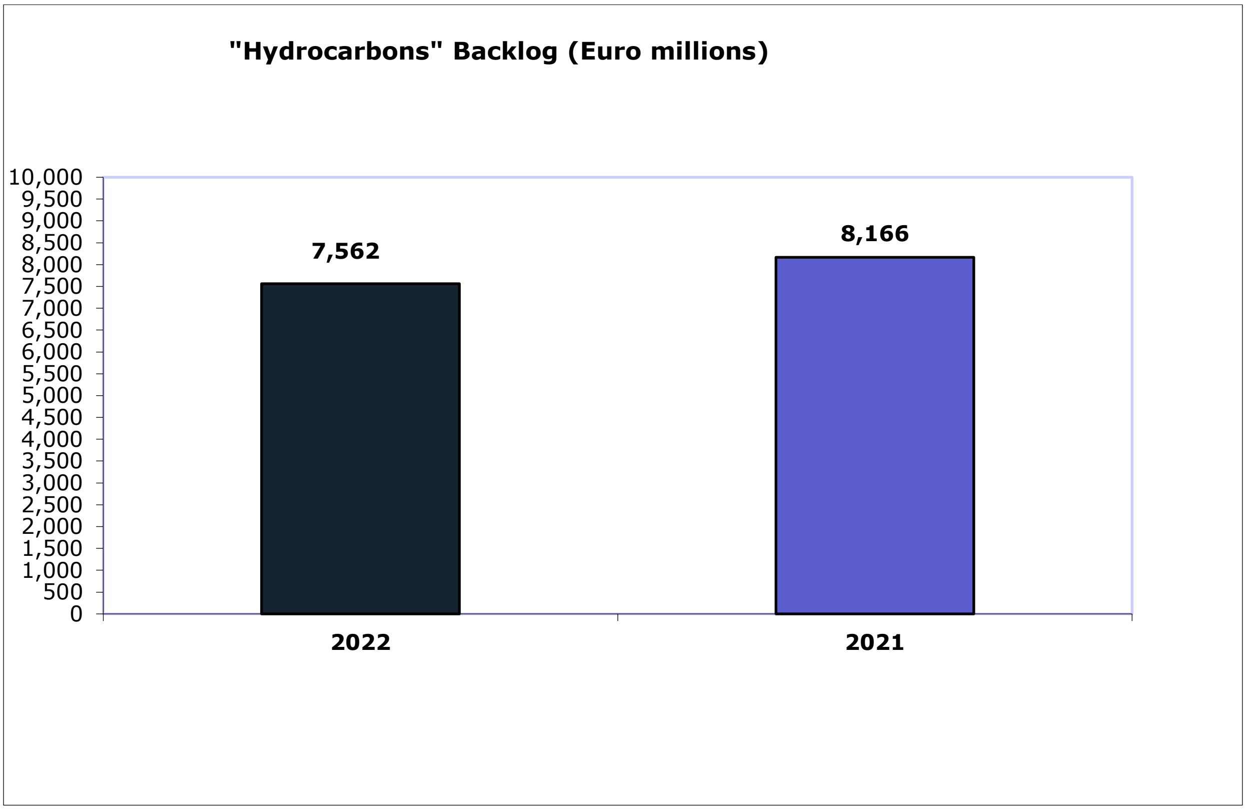
In 2022, the Maire Tecnimont Group won new projects and existing contract extensions worth approx. Euro 3,607.4 million. For further details, reference should be made to the analysis of the backlog by business unit. This amount is a decrease on the 2021 figure, a year in which the Group achieved a record order intake, thanks also to the Borouge 4 contract of approx. USD 3.5 billion in Q4 2021.

ANALYSIS OF THE 'HYDROCARBONS' BUSINESS UNIT BACKLOG

The Backlog at December 31, 2022 compared with the previous year is as follows:

(in Euro thousands)	Backlog at 31.12.2022	Backlog at 31.12.2021 (*)	Change December 2022 vs December 2021	
			Total	%
Hydrocarbons	7,561,999	8,166,092	(604,093)	(7.4%)

(*) In order to better represent the real Backlog dynamics, the amount at December 31, 2021 has been adjusted, taking into account the downward adjustments on the main Russian projects at September 30, 2022, amounting to approx. Euro 1,052.8 million. In the third quarter of 2022, also as a result of the additional sanction measures against the Russian Federation, it was impossible to continue activities even on those projects previously suspended. As a result, the residual value of related projects was removed from the Backlog.



The Backlog of the "Hydrocarbons" Business Unit at December 31, 2022 was Euro 7,562 million, decreasing approx. Euro 604.1 million on the 2021 adjusted figure. It should be noted in this regard that in Q4 2021 the Group reported a record order intake.

In 2022, the Maire Tecnimont Group won new projects and existing contract extensions worth approx. Euro 2,773.8 million in relation to the "Hydrocarbons" Business Unit.

PRINCIPAL PROJECTS AWARDED

COVESTRO (Belgium) - January 2022 - Tecnimont S.p.A was 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.

RHOURDE EL BAGUEL (Algeria) - October 2022 - Tecnimont was awarded an EPC contract by SONATRACH's Engineering & Project Management Central Direction for the construction of an LPG extraction plant within the existing Rhourde El Baguel treatment complex in north-eastern Algeria. The total contract value is approx. USD 380 million on a lump-sum basis. The scope of the project includes the construction of a new LPG extraction plant with a process capacity of 10 million cubic meters per day of associated gas from the existing complex. Plant completion is expected within 36 months after the contract's date of entry into force.

RAS LAFFAN (Qatar) - Tecnimont S.p.A. was awarded an EPC contract, announced in December 2022, by the joint venture consisting of QatarEnergy and Chevron Phillips Chemical for the construction of a polyethylene plant that includes two units with a capacity of 1,000,000 and 680,000 tons per year, respectively, in addition to the related utilities. The plant is part of the new polymer complex to be located in the industrial city of Ras Laffan in Qatar. QatarEnergy (formerly Qatar Petroleum) is Qatar's national oil company and one of the largest gas companies in the world. Chevron Phillips Chemical is a leading manufacturer of high-density polyethylene. The total contract value is approx. USD 1.3 billion on a lump-sum basis. The scope of work includes all engineering services, supply of equipment and materials, assembly and construction activities until mechanical completion, forecast for 2026.

Petrorabigh (Saudi Arabia) - On June 12, 2022, an EPC LSTK Contract was signed between KT Arabia and RABIGH REFINING AND PETROCHEMICAL COMPANY (KSA) to execute the tail gas treatment project of the two Sulphur Recovery Unit (SRU2) trains with commissioning and start-up activities on a reimbursable basis. The unit is licensed by Jacobs while the FEED was developed by Wood. The Sulfur Recovery Unit 2 (SRU2) tail gas treatment project involves the addition of scrubbers downstream of the tail gas incinerators in each of the identical SRU trains while, upstream of the scrubber a boiler (WHB) will be added to recover heat from the incinerator flue gas. Prior to their treatment in scrubbers, SO2 emissions to the atmosphere are lowered through the stack in accordance with Saudi environmental regulations. The contract becomes effective on June 12, 2022. The overall schedule of activities includes a Mechanical Completion at month 31. The contract price, on an LSTK basis, is approx. USD 59.3 million. The project is 12% complete.

Motor Oil Hellas (MOH) (Greece) - On December 27, 2022, Motor Oil Hellas (MOH) signed a contract to execute a new C3 splitter unit. The above date is considered as the Effective Date (ED) of the project. MOH is planning to expand existing refineries in Corinth with the goal of increasing the refinery's production of high-value products. The C3 splitter unit (unit 4400), with a design capacity of 18 tons/hr, will produce gas, propane, propylene and C4 products. The new unit will also include a propylene storage system, a type of semi-pressurized storage since it will allow the loading of semi-pressurized or fully pressurized ships. The installation of new equipment for the cooling water system and condensate recovery and treatment is also included, in addition to the necessary interconnection lines (Unit 9800) between Unit 4400 and other Refining Units and the existing Refinery Pier area (Unit 2000). The scope of the contract (SoW) consists of the following: - Approval of the FEED developed by Technip Energies - Detailed engineering - Procurement of materials - Construction management up to mechanical completion and commissioning. Construction is not included in KT SoW: construction subcontracts will be issued directly by MOH, although KT is responsible for managing any phase of the project and is responsible for delivering the plant. The duration of the project is 28 months until mechanical completion. The contract price, on an EPCm basis, is Euro 79.55 million.

OMV - NEW AROMATICS COMPLEX - PLOIESTI (Romania) – On September 7, 2022, OMV Petrom notified the awarding of the execution of the New Aromatics Complex project. The official signing of the Engineering, Procurement & Construction Agreement took place on October 13, 2022. The plant will be built at the Petrobrazi refinery, located in Ploiesti, Romania. The scope of the contract includes the installation of a plant for the extraction and separation of aromatics for the recovery of toluene and benzene. The FEED was developed by Wood under license from GTC. It is an EPC LSTK contract and also includes commissioning, start-up and test run activities. The effective date of the contract (ED) is September 29, 2022. The project duration is 32 months from the ED and includes mechanical completion at month 28 and the Test Run at month 30. The value of the contract is Euro 109.5 million.

In addition to the contracts described above, in 2022, the Group's main subsidiaries won new orders and change orders for licensing, engineering and procurement (EP) services, and engineering, procurement and construction (EPC) activities. The contracts - awarded by some of the leading international clients - were won principally in Europe, North Africa, the Middle East, Asia and North America.

RUSSIAN PROJECTS FOCUS:

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 involves the petrochemical development of the Amur Gas Chemical Complex (AGCC) and the construction of a polyolefin (PP and PE) production plant capable of producing a total of 2.7 million tons per year. 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 Completing one of the AGPP packages. At the end of February 2022, the project had reached 73.3% completion, on schedule, confirming the positive progress maintained since work commenced. In strict compliance with the terms and obligations of the sanctions imposed by the European Union against the Russian Federation on February 25, 2022, as a consequence of the ongoing military invasion of Ukraine, all activities were stopped and, according to the terms of the Contract, a suspension agreement was entered into with the Client on May 27, 2022, whose validity was extended on November 23, 2022 by an additional agreement for a further 3 months until February 28, 2023. During the suspension period, Tecnimont and MT Russia are finalizing the transfer to the Client of sub-contracts/supplies (e.g. Novation), in full compliance with the Sanctions, while also executing terminations where unable to proceed with such transfers. At the end of the suspension period, the Parties will agree on the terms of an EPSS Contract Termination Agreement.

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 covered for engineering, procurement and transport of equipment and materials, in addition to 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). Following the Russia-Ukraine crisis, and the ensuing sanctions imposed on Russian entities and persons since the end of February 2022, project progress gradually slowed down to its eventual complete halt. Specifically, final shipments to Russia of offshore materials have been suspended since early March 2022, while onshore side (Russia) Procurement and Construction activities continued, albeit at a greatly slowed pace, until the complete shutdown in early August 2022. In view of the sanctions put in place by the authorities and the inability to perform the contract activities, the Group deemed it appropriate in May 2022 to notify the Client of the Suspension of the two Offshore and Onshore Contracts. On August 4, the Client served notice of termination of the Offshore and Onshore Contracts, effectively resulting in the initiation of arbitration proceedings for dispute resolution. Upon the notice of termination on August 4, 2022, Engineering activities were at more than 99% progress, material procurement 92% progress, manufacturing 90% progress, and construction activities, which began in late 2020, were at 31%. The overall progress of the Project was 70%. For further details, reference should be made to section "16 - Disputes".

VOLGAFERT (Russia) - This is 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 leader in the production of fertilizers and caprolactam, with a minority stake held by MET DEV1 S.r.l., a Maire Tecnimont Group company, in turn 49% owned by Simest S.p.A. (a company of the CDP Group, which specializes in supporting overseas investments by 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 100% complete, with manufacturing and delivery at 100%, while construction and pre-commissioning are 99.8% complete. The project is 99.9% complete. Project completion is scheduled for the first quarter of 2023. In strict compliance with the terms and obligations of the sanctions imposed by the European Union against the Russian Federation on February 25, 2022, as a consequence of the ongoing military invasion of Ukraine, activities continued on the Volgafert project, which was not directly impacted by the Sanctions. It is still considered a viable project, while the partners have also not been sanctioned. The crisis in Ukraine and the international sanctions are having a greater than expected impact on the project, with delays in the completion of construction and commissioning activities for the plant. Against this backdrop, the EPC contractor has notified Volgafert LLC of a change order request in order to obtain reimbursement for additional costs incurred due to the geo-political crisis.

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. On May 27, 2022, sanctions imposed by the EU on specific entities in Russia, including the project client, came into effect. As of that date – at which point project reporting was interrupted – activities related to the EP contract are substantially complete (99.95%), except for issue of the As Built documentation and delivery of the remaining bulk material inventories related to commissioning. Construction (which is outside of Tecnimont's scope of work) was 98.75% complete and the Mechanical Completion Milestone was formalized on April 28, 2022. Following the effective date of the sanctions, Tecnimont issued a letter of termination for its portion of the offshore contract, while MT Russia will complete the remaining activities. The plant is now operational, at reduced capacity, pending the planned test phase following the RFSU.

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. AGPP Amur will be one of the largest gas treatment plants in the world, with a capacity of 42 billion cubic meters of natural gas per year. The contract covers the execution of Amursky Plant Package No. 3 (AGPP), and relates only to plant utilities and infrastructure, whose technological process units are supplied by other contractors and assembled directly by the General Contractor. The scope of the work assigned to Tecnimont S.p.A. and MT Russia includes engineering, procurement, construction, and commissioning activities for the completion of utilities, offsites and infrastructure. At the end of 2020, an agreement was signed with JSC NIPIgazperabotka establishing an additional sum in order to continue works and mitigate the impact of the COVID-19 pandemic. This additional sum was set at approx. Euro 500 million. The agreement between the parties came into effect in early 2022, under which the client assumes the direct role of operational manager of the construction phase. Tecnimont and MT Russia on the request of the client continue to effectively act as passive agent and provide technical support for a fee. Engineering activities were already completed by October 2020, in addition to the activities for the purchase of materials by June 2021. Construction activities, which are directly managed by the General Contractor, are 87% complete. The project is 92.1% complete overall. The remaining activities for the completion of the project are the responsibility of MT Russia and concern the start-up of the utilities. Project completion is scheduled for the end of 2023. As indicated above, in compliance with international sanctions, Tecnimont S.p.A. is no longer conducting engineering activities or purchasing materials.

KOS (Russia) - In August 2021, Tecnimont Planung & Industrieanlagenbau and MT Russia LLC were awarded an EP (Engineering and Procurement) contract from the client 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 contract includes the provision of home office services (engineering, procurement, and management), the supply and transportation of materials, and vendor support on site. The project duration for engineering and procurement stipulated in the contract is 35 months. The project is currently on hold due to the current geopolitical situation. At the suspension date, home office activities had progressed to 14.8%, manufacturing to 0%, and overall project progress to 3.5%.

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 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 involved the Detailed Engineering of the SRU and GFU units including Hazop, Sil, 3D Model, supply of Long Lead Items (transport and customs clearance included). Both projects are under execution at the Kstovo refinery in Russia. As a result of the geopolitical situation arising from the Russian-Ukrainian conflict and the sanctions imposed on Russia by the EU and US, on May 27, 2022, KT and LUKOIL reached a "Termination for Convenience" agreement to the full satisfaction of all stakeholders involved on the project. By June 30, 2022, all activities with the Client have been closed as per the agreement between the Parties. As of December 31, only the activities and related costs related to the branch remain open, which is expected to be closed in 2024.

PROJECTS IN PROGRESS

BOROUGE 4 (United Arab Emirates) in 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). The contracts encompass the turn-key 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 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. Engineering activities are at 40%, while material procurement is at 59% with all major material orders placed, while construction activities started in Q4 2022 and are at approx. 1%. Specifically, civil piling work and initial foundations on all three parcels have been carried out on site. All construction subcontracts were placed with local firms. The overall project progress is about 13.5%, in line with the project schedule. The completion date is scheduled for 2025.

REF PORT HARCOURT (Nigeria) - April 2021 - Tecnimont S.p.A. was awarded a contract for the execution of refurbishment works on the Port Harcourt Refinery Company Limited refining complex, located at Port Harcourt, in Rivers State, Nigeria. The client, Port Harcourt Refinery Company Limited, is a subsidiary of the Nigerian National Petroleum Company (NNPC), the national oil company. The project involves Engineering, Procurement and Construction (EPC) for the complete refurbishment of the Port Harcourt refining complex, consisting of two refineries with a total capacity of about 210,000 bpd (barrels per day). Engineering is over 90% complete, with material procurement at over 70%, while construction is approx. 40% complete. The total advancement of the project is 56.5%. The contract completion date is scheduled for 44 months from the award date.

AGIC (Saudi Arabia) - in 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 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). The two polypropylene units will be located at the integrated PDH-PP (propane dehydrogenation - polypropylene) complex in Jubail Industrial City II (Saudi Arabia). Engineering, material procurement, and construction activities are progressing substantially in line with the project schedule, with some difficulties in the manufacturing and material delivery related to the international situation. Project completion is scheduled for Q2 2024.

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 being built in Dumad, near Vadodara, in the state of Gujarat, India. The design and also the purchase of materials has substantially been completed, while the civil portion is being finalized on site, both in terms of the concreting and the structures. The mechanical and electro-instrumental portion has made good progress. The Mechanical Completion period for the project is 26 months.

Paraxylene (PX) plant, client: IOCL (India) -in 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 will be located in Paradip, in the State of Odisha, in Eastern India. The project includes engineering activities, the provision of equipment and materials and construction, commissioning until the start-up of the plant and the performance tests. The project's 90% 3D model review has been completed, as has the purchase of Long Lead Items, while the material purchases are being completed. The more than 10,000 piles needed have been constructed, while the foundation and underground work is underway. Piping prefabrication has reached approx. 30% and structure installation work has begun. Mechanical completion is scheduled for 2024.

IOCL BARAUNI (India) – in 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 project includes engineering activities, the provision of equipment and materials, construction and plant testing, until the performance tests. Engineering activities are at 88.4% completion, procurement & manufacturing activities at 54.9% completion, while construction activities are at 15.8%. The project is 47.7% complete overall. Mechanical completion is scheduled for 30 months from the award date.

REPSOL ALBA PROJECT (Portugal) - In July 2021, Tecnimont S.p.A. signed an EPC contract with REPSOL Polímeros U.L for the construction of a new Polypropylene (PP) and Polyethylene (PE) plant in Sines, 160 km south of Lisbon, Portugal. 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 80.20% complete, manufacturing and materials delivery are 24.21% complete, while construction are scheduled to begin in March 2023. The total advancement of the project is 19.99%. Project completion is scheduled for within 44 months of the agreed effective date of July 26, 2021, which sets the Mechanical Completion Certificate milestone at March 26, 2025.

ANWIL (Poland) - acquired in June 2019 from 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 100% complete, while Construction (including Commissioning activities) is 92.6% complete. The total advancement of the project is 97.0%. The plant is scheduled for completion (take over) in October 2023.

KALLO (Belgium) - acquired in March 2019 from 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 and Procurement Services activities have been completed, while construction activities are 59.3% complete. The total advancement of the project is 81.4%. The project completion dates were revised with BOREALIS, considering the impacts caused by COVID-19 and the Client's decision to terminate the contracts for mechanical, civil and electro-instrumental works on August 17, 2022. Currently, the electro-instrumental and a portion of the mechanical activities have been assigned to new sub-contractors, while several options are being considered for completing the remaining part of the scope of works. The mechanical completion of works is set for May 2024, with the plant start-up in September 2024 and issue of the Final Acceptance Certificate within 33 months from March 2024.

SOCAR - FCC Gasoline Hydrotreatment (Azerbaijan) - in February 2021 Tecnimont S.p.A. and KT-Kinetics Technology S.p.A. were awarded an EPC (Engineering, Procurement, Construction & Commissioning, Start-up) contract to be carried out in Baku, Azerbaijan, by the client SOCAR (State Oil Company of Azerbaijan Republic) Heydar Aliyev Baku Oil Refinery. The GHT-PRIME G "Gasoline Hydrotreater Unit" plant, while a catalytic process, makes it possible to achieve a Sulphide content of less than 15ppm in gasoline. The activities have progressed as follows: Home Office 98.8%, Manufacturing and Delivery 94.3%, Construction & Pre-commissioning 36.4 %. The project is 70.5% complete overall. The completion of the project (Provisional Acceptance Certificate - PAC) is scheduled for February 15, 2024.

SOCAR - Merox, ATU (Azerbaijan) - in February 2021 Tecnimont S.p.A. and KT-Kinetics Technology S.p.A. were awarded an EPC (Engineering, Procurement, Construction & Commissioning, Start-up) contract to be carried out in Baku, Azerbaijan, by the client SOCAR (State Oil Company of Azerbaijan Republic) Heydar Aliyev Baku Oil Refinery. The MEROX plant produces LPG to specification for sale, while the ATU unit is used to regenerate amine used in the other plants at the refinery. The activities have progressed as follows: Home Office 98.9%, Manufacturing and Delivery 95.0%, Construction & Pre-commissioning 43.4 %. The project is 73.6% complete overall. The completion of the project (Provisional Acceptance Certificate - PAC) is scheduled for September 29, 2023.

SOCAR HAOR (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 & Commissioning, Start-up) Lump Sum contract concerning a significant portion of the works for the modernization and reconstruction of the Heydar Aliyev refinery in Baku (Azerbaijan). The activities have progressed as follows (Overall for Diesel and Gasoline phases): Home Office 100%, Manufacturing and Delivery: 99.9%, Construction & Pre-commissioning 99.6%, Commissioning 84.5%. The project is 99.8% complete overall. The completion of the project (Provisional Acceptance Certificate - PAC) is scheduled for April 30, 2023.

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, procurement, and construction activities are 100% complete. The "Ready for Commissioning" was approved on September 12, 2022. The site was fully demobilized in the second half of October and all areas handed back to the client. Two members of personnel are contractually required for the guarantee period, until September 12, 2024.

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. The activities are complete and the plant has been producing since April 2022. On April 11, 2022, the PAC (Provisional Acceptance Certificate) was accepted and signed by the Company with which the 1-year guarantee period begins (until April 10, 2023). After that date, a certificate of Final Acceptance of the plant will be issued.

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 achieved mechanical completion certification. For the HDPE plant, commissioning is 95% complete. As a result of delays by the Client in making feedstock available, the unit is scheduled to start-up in the first quarter of 2023. For the PP plant, all activities are complete and the unit has been in production for a number of months. Due to delays by the Client in making the feedstock available, the Performance Guarantee Test Run is not yet planned. A mechanical warranty period of 12 months will follow.

ZCINA – SONATRACH (Algeria) - **acquired** in November 2018 from the client Sonatrach, it involves the construction of a fourth LPG production train with a capacity of 8 MMS m^3/day. The train is 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. Activities related to engineering and procurement were completed in 2021. Construction, precommissioning and commissioning activities are also complete. The plant is in service. Activities associated with the PAC (Provisional Acceptance Certificate) are ongoing.

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 restarted at full capacity, including placing new orders and resuming those that were previously suspended. During 2022, ExxonMobil, required numerous changes, which involved additional engineering and procurement activities. The end of construction activities (Mechanical Completion) is expected by Q1 2023 (SPU) and Q2 2023 (LAU).

HDPE MALAYSIA – PETRONAS (Malaysia) - in November 2016 the Tecnimont Group (TCM) 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 production unit (HDPE) 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. Due to the delay in the provision of feedstock by the Client, the plant did not enter the Start Up phase until July 2022. At the end of October 2022, following the successful completion of the first of three contractually scheduled Performance Test Runs (PTRs), the plant was shut down due to an accident involving the feedstock line and utilities outside the plant's scope of works. At the end of December 2022, following the completion of the necessary repairs to the above lines by the Client, the plant began the preparation phase for the resumption of the Start Up to complete the remaining PTRs. Negotiations are currently underway with the Client in order to settle the compensation and contractual terms for covering the remaining project activities postponed to 2023, due to this event outside the responsibility of the TCM-HQC joint venture. Completion of the project by obtaining the Final Acceptance Certificate (FAC) is now expected by Q2 2023.

PP MALAYSIA – PETRONAS (Malaysia) - in November 2015 the Tecnimont Group (TCM) 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 production units (PP/SPH; PP/SPZ) 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 unavailability of feedstock from the Client for long periods, to date all Performance Test Runs (PTRs) of only the first unit (PP/SPH) have been fully successfully completed, while the second unit (PP/SPZ) entered the Start Up phase in September 2022. At the end of October 2022, the plant was shut down due to an accident involving the feedstock line and utilities outside the plant's scope of works. At the end of December 2022, following the completion of the necessary repairs to the above lines by the Client, the plant began the preparation phase for the resumption of the Start Up to complete the remaining PTRs. Negotiations are currently underway with the Client in order to settle the compensation and contractual terms for covering the remaining project activities postponed to 2023, due to this event outside the responsibility of the TCM-HQC joint venture. Completion of the project by obtaining the Final Acceptance Certificate (FAC) is now expected by Q2 2023.

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 the final stage.

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. The Client awarded in 2022 a contract to Tecnimont for Consultancy, Training and Support services for the operational management and maintenance of the Power Plant; these services will extend into 2023.

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 have begun with the client. These have led to the definition of a Settlement Agreement, signed in November 2022, for the definitive completion of the contract and the insurance process. In November 2021, KIMA issued the plant's Certificate of Final Acceptance, defining a list of outstanding points for which the project has committed to closure. In July 2022, KIMA awarded a new Operation and Maintenance service contract valid for the next two years 22-24.

LDPE NOVY URENGOY - 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.

LOTOS OIL - HYDROCRACKED BASED OIL Project (HBO) (Poland) - Lotos Oil Sp. z o.o. 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 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 213.45 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 are at 73% completion at the end of December 2022. The Building Permit Package was sent to the client in July 2022 for the Process and Intermediate Storage Tank area and in August 2022 for the Product Storage Tanks area. The building permits from the relevant authorities were received in August and October 2022 respectively. A 90% 3D model review is planned in the coming months. Procurement activities were at 35% completion at the end of December 2022, with the procurement campaign for equipment, metal structures, line instrumentation and electrical and control apparatus substantially complete. Construction activities by December 2022 were 6.4% complete: the construction of the foundations in the Process and Intermediate Storage Tanks area are in progress and the installation of piles in Product Storage Tanks area is nearing completion. In terms of procurement, the mechanical contract in the flares and interconnecting area and the piping prefabrication contract in all other areas are being finalized.

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 Zohr Gas Plant in Port Said, 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 estimated 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. The contract option for the second "Ramp-Up" phase (RUP) of the project was issued on March 24, 2022 for a contract value of Euro 81.4 million. The three MRU trains relating to the optional scope are to be delivered at months 20, 21 and 23 (i.e. June 10, 2023). The PAC release date is estimated in month 34 from the Effective Date (i.e. February 8, 2024). The Final Acceptance Certificate is expected at month 58 (June 10, 2026). For the ASU phase, engineering is nearing completion and final documentation is being completed. Progress at December 31, 2022 was 98.5%. Procurement and deliveries of non-modularized materials have essentially been completed, with 99.5% progress by December 31, 2022. The modules were delivered in December 2022, while the pre-fabricated off-module spool batch was partially delivered. Activities at the yard are 98.3% complete. The overall progress of the ASU phase is 99.3%. For the RUP phase, engineering activities were 69.4% complete at the end of 2022, while procurement activities are 58.7% complete. Activities at the site have begun and progress is at 3.5%. The overall progress of the RUP phase was at 51.0% as of December 31, 2022.

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 the Early Works and the currently approved change orders. The main contractual dates are the following: all systems commissioned within 41 months of the ED, completion of all works within 43 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 98.7% complete by the end of December 2022, procurement and construction were 96% and 33.6% complete respectively, while overall progress is at 70.6%. Material purchases are almost completed, except for minor follow-up activities. TCF and pile activities have been completed, erection of the metal structures has concluded, civil works are at an advanced stage, and prefabrication activities are being completed. Contracts for the erection of equipment and piping and for the electro-instrumental works were awarded at the end of the year.

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, including APH, Burner Piping and on- and off-skid instrumentation. The special feature of the project is the supply of the Radiants in pre-assembled modules, with Carpentry, Refractories and Coils already assembled to be installed at the Dos Bocas Refinery in Mexico. This contract was preceded by an Early Engineering Works phase and the amount of the new contract is Euro 54.5 million after issuing 2 Change Orders, the first for 1300 K€ (Transportation reduction) and the other for 771 K€ (Materials). The new contract price is Euro 53.9 million. Contract delivery is CIF Dos Bocas within 17 months of the effective date. Engineering and Procurement activities are nearing completion, with progress at the end of December 2022 respectively of 99.9% for Engineering, 99.8% for Procurement, and 100% for Materials. The overall project progress at the end of December 2022 is 99.9%.

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 facility at the refinery in Rijeka, Croatia, as part of a project to modernize the refinery. 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: Area preparation for DCU; 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 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, 2022, engineering and procurement activities were 99.4% and 98.1% complete respectively, and construction progress stands at 50.6%. Overall progress for the project is 70.1%. The activities to be carried out during the Shut Down to commission some Brownfield units are in progress and will be completed in Q1 2023.

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 amounts to Euro 67 million, to which Change Orders, Variation Requests and credit notes should be added. 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. As of December 31, 2022, LumpSum contract activities have been completed. As required under the contract, KT continues to be present on site to provide assistance (reimbursable) to the construction contractor for the activities concerning 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 the currently approved change orders. Overall progress for the project at the end of December 2022 was 100%. Some COs are under discussion for additional purposes. The performance test was successfully carried out in November 2022.

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, to which approved Change Orders and a seven-month extension of time on the MC, RFSU and PAC dates must be added, plus a two-month grace period. Engineering and procurement activities have been completed for both the basic scope and the reimbursable Change Orders. Deliveries to the site of the reimbursable De-Ethanizer Change Order are in progress. Construction of the basic scope was 100% complete by the end of August 2022, with the PAC released on 8/11/2022. Overall progress is 100%. At the end of November, construction activities began on the De-Ethanizer Reimbursable Change Order, which will conclude with the RFSU on July 7, 2023.

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. At June 30, 2021, project activities are all-but complete; the Performance Test Run remains to be carried out. Hydrogen production continues, and the plant currently operates at up to 50% capacity depending on the demand of the Client's refinery.

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, 2022 compared with the previous year is as follows:

(in Euro thousands)	Backlog at 31.12.2022	Backlog at 31.12.2021	Change December 2022 vs December 2021	
			Total	%
Green Energy	1,052,011	269,275	782,736	290.7%

The Green Energy BU backlog at December 31, 2022, was Euro 1.052 million, up Euro 782.7 million on the previous year.

The Maire Tecnimont Group in 2022 acquired new projects and extensions to existing contracts worth approx. Euro 833.5 million within the "Green Energy" Business Unit. In addition, approx. Euro 170 million of other recently acquired projects and initiatives were reclassified to this operating segment, having been categorized as such according to the taxonomy criteria in view of their green component.

PRINCIPAL PROJECTS AWARDED

BLUE AMMONIA SYNLOOP (USA) - March 2022 - Tecnimont S.p.A., in partnership with its sister company Nextchem S.p.A., was awarded a project on an EPCM (Engineering, Procurement and Construction Management) basis by a major international chemical manufacturer to build a blue ammonia plant in the United States. The initiative is part of the country's industrial development plans in the energy transition sector, through Maire Tecnimont's cooperation with the main players in the natural resources transformation industry. The contract value is approx. USD 230 million. The plant includes a synloop unit with a capacity of 3,000 tons per day of blue ammonia, as well as related facilities and auxiliary units. The facility is scheduled for completion in 2025. The contract covers all engineering activities and supply of materials and equipment and supervision of the work, while construction activities will be performed by a third party and governed by a different contract issued by the client.

HARVEST (UAE) - July 2022 - Tecnimont S.p.A., in collaboration with sister company Nextchem S.p.A., has been awarded an EPC Lump Sum Turn-Key contract for a low-carbon ammonia synloop plant to be built in the Gulf region. The value of the contract is about USD 300 million and the scope of work includes engineering activities, supply of all materials and equipment, and construction activities. Tecnimont has been contracted to start project engineering work immediately; the start date for procurement and construction work will be confirmed later when a final investment decision is reached. The project envisions a synloop plant of approximately 3,000 tons per day (1 million tons per year) with low ammonia emissions, and the project is scheduled for completion by H2 2025.

ENI Marghera (Italy) - ENI awarded KT an EPC contract for the supply of a hydrogen production plant, consisting of two parallel and identical Steam Reforming trains, based on KT technology, with a capacity of 15,000 Nm^3/h each. April 28, 2022 is to be considered the Effective Date (ED) of the contract. Ready for Dynamic Commissioning (RFDC) delivery is expected within 23 months of the ED. The RFDC sets the provisional acceptance certificate at a maximum of six months. Provision of space on the floor plan for the future installation of a third hydrogen production line parallel and identical to the first two, and provision for the future installation of a new CO_2 removal unit, to be provided on the flue gas or on the process depending on the required removal rate. The contract price, on a firm and fixed lump sum basis, is approx. Euro 83 million. At December 31, 2022, engineering and home office services activities were 60.3% complete, with the 3D model review 60% completed, while activities related to 3D model 90% have started. Hazop completion is expected by January 2023. Manufacturing activities are 13.7% complete. Overall progress for the project is 11.7%.

Other acquisitions of 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.

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 (Detail Engineering-Procurement services - Subcontracting Services) work is 100% complete, manufacturing and materials delivery are 99.6% complete, while construction is 72.2% complete. The total advancement of the project is 90.03%. For a number of reasons, including the market situation, the geopolitical crisis, and the consequences of the COVID-19 pandemic, negotiations are underway with the client to agree an extension of the project completion time, contractually scheduled within three years from the effective date, which has been established as September 1, 2020.

TOTAL CORBION PLA: the project concerns design of a biopolymer production plant in France, acquired by Nextchem in April 2021 and completed in 2022.

TOTAL ENERGIES: Nextchem contract 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 study, acquired in 2021, was completed in 2022.

ENI CASALBORSETTI: Nextchem contract for 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 study, acquired in December 2021, had a major advancement during 2022. The project is ongoing, also in terms of the change orders signed in 2022 with the client.

PRIMARIO GRUPPO INDUSTRIALE EUROPEO: Front-End Engineering Design (FEED) by a leader in the plastics and chemicals industry for an advanced mechanical recycling facility for municipal plastic waste in Europe.

STORENGY: for an engineering services study for a new biomethane production process from wood waste pyrogasification. Once the investment authorization (expected by the end of 2022) and related permits are obtained, NextChem, in collaboration with another Maire Tecnimont Group subsidiary, will act as EPC contractor for the methanation unit of the project to be built in the port of Le Havre, France.

Energy Service

The "Energy and/or EPC" contracts involving the supply of heat, electricity, plant maintenance and energy upgrading of clients' buildings and facilities continue. In particular, the company MST preliminarily supports energy efficiency investments by achieving better plant performance and cost savings over time. This dynamic allows for a return on investments made and for higher margins on orders. The main Energy and/or EPC contracts are under the Consip agreement and concern the supply of electricity, heat and maintenance at a number of hospitals in the province of Ancona (Fabriano, Jesi and Senigallia), Florence (AOU Careggi) and Siena (AOU Siena), and a number of hospitals in the province of L'Aquila (Avezzano, Sulmona and L'Aquila). Energy and/or EPC contracts also continue with Azienda Ligure Sanitaria (A.LI.SA) for the management of hospitals in the Chiavari and La Spezia area (lot 6 Asl 4 and Asl 5 Liguria).

Renewable energy projects

Photovoltaic plant (PMGD) (Chile) - Ingenieria y Construcción Tecnimont Chile y Compaňia Limitada signed with the Chilean companies La Huerta S.p.A., Vespa Solar S.p.A., MVC Solar 17 S.p.A., SOL DEL SUR 2 S.p.A., SOL DEL SUR 8 S.p.A., SOL DEL SUR 9 S.p.A., SOL DEL SUR 15 S.p.A., MVC SOLAR 38 S.p.A. and BLUE SOLAR UNO S.p.A. (jointly the "SPV") nine contracts for the construction of a similar number of medium/small photovoltaic plant in Chile (less than 9 MWac), called "PMGD" and "PMG". These contracts were awarded to Tecnimont Chile with the signing of the transfer agreements as part of the broader transaction initiated with Neosia Renewable S.p.A. (a subsidiary of Maire Tecnimont S.p.A.), which led to the latter's purchase of the SPVs in charge of the development and construction of the afore-mentioned small-scale photovoltaic plants. Having obtained the necessary local administrative approvals for the construction and operation of the photovoltaic plant, the SPVs were transferred in November and December 2022 to Akuo PMGD Holding

S.p.A., while the EPC contracts for the construction and operation of the individual plant were awarded to Ingenieria y Construcción Tecnimont Chile y Compañia Limitada. The total value of the EPC contracts is approx. USD 57.7 million.

Metro Projects

Metropolitana di Torino – Opere di Sistema (Turin, Italy) - In March 2021, 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 2021. 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. 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. In 2022, the design work was completed, while in early 2023 construction work will begin for the construction of the entire System infrastructure. In September 2022, Transfima GEIE signed with the Client Infratrasporti.To an Additional Deed for System infrastructure works for the extension of three additional new storage routes, in addition to the three already provided for in the basic contract (Modifying Agreement of the Second Framework Agreement). 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.

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. 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. On September 29, 2022, the Technical-Administrative Acceptance was issued by the ASL (Local Health Authority) and the Closing 2 was finalized with the payment by HISI for the additional shares. The contractual issues under discussion with the ASL are pending, which relate to the delay in the completion of the works and the Reserves recognized by the Licensee. In order to settle these issues, a Technical Advisory Board (CCT) has been appointed and is operational, which has already ruled on the issues related to the ASL's failure to recognize part of the amounts and the timing for Variant V49. The CCT mainly sided with the Licensee, recognizing much of the amounts and time required. V50 will be addressed next and then all the other Reserves (including that related to increased execution time, with which the issue of possible penalties is also connected). There are also a number of ongoing cases and disputes with Subcontractors that need to be followed and managed over time.

Avio Facility - (Colleferro, Italy) - in July 2018, the EPC contract was signed for the construction of an industrial facility (Building 4026) in Colleferro for "motors expansion". Two contractual addenda for the addition of further work were formalized in 2019, with the resulting extension of work completion times. At December 31, 2022, this activity has been completed. 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 at December 31, 2022 is approx. 88%.

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. In May 2022, all utilities on the university campus (water, electricity and gas) were transferred from the company Birillo 2007 to the building manager.

7. Group balance sheet and financial position

The Maire Tecnimont Group key balance sheet highlights at December 31, 2022, and December 31, 2021, were as follows:

Maire Tecnimont Condensed Consolidated Balance Sheet *(in Euro thousands)*	December 31, 2022	December 31, 2021	*Change*
Non-current assets (*)	859,760	826,539	33,221
Inventories/Advances to Suppliers (*)	364,802	478,531	(113,730)
Contractual Assets (*)	2,260,797	2,325,370	(64,573)
Trade receivables (*)	704,182	491,560	212,623
Cash and cash equivalents	762,463	677,100	85,363
Other current assets	439,270	410,923	28,347
Current assets	4,531,515	4,383,484	148,030
Assets held for sale, net of eliminations	0	0	0
Total assets	5,391,275	5,210,023	181,252
Group shareholders' equity	491,574	493,252	(1,678)
Minorities Shareholders' Equity	36,477	34,098	2,379
Financial debt - non-current portion	290,781	448,937	(158,156)
Other non-current financial liabilities	180,132	179,865	267
Non-current financial liabilities - Leasing	110,467	107,113	3,354
Other non-current payables (*)	132,536	139,928	(7,392)
Non-current liabilities	713,915	875,843	(161,927)
Short-term debt	310,837	136,426	174,411
Current financial liabilities - Leasing	22,559	21,276	1,283
Other financial liabilities	2,780	330	2,450
Client advance payments (*)	645,631	867,666	(222,034)
Contractual Liabilities	360,324	392,571	(32,248)
Trade payables (*)	2,295,802	1,891,718	404,084
Other current liabilities	511,376	496,843	14,534
Current liabilities	4,149,309	3,806,830	342,479
Liabilities held for sale, net of eliminations	0	0	0
Total Shareholders' Equity and Liabilities	5,391,275	5,210,023	181,252

(*) In relation to the Amursky AGPP Project, in early 2022 the agreement between the parties became operational. According to this agreement, the client directly assumes the operational management of the construction phase. The lack of control by the Group of the main construction activities with associated risks and gross cash flows was also finally sanctioned; only some paid service and technical support activities remain. In application of IFRS 15 and IFRS 9, the respective positions have been presented on a net basis. The Table below presents the impact at December 31, 2022 on the balance sheet items affected by this new exposure, which makes the substance of construction activities and the relationships between the client and subcontractors involved in the activities more consistent, and the value of the same items at December 31, 2021.

Balance Sheet items *(in Euro thousands)*	December 31, 2022	December 31, 2021	Change
Non-current assets	0	(2,357)	2,357
Inventories/Advances to Suppliers	(161,735)	(186,207)	24,471
Contractual Assets	(380,468)	(469,859)	89,390
Trade receivables	(66,875)	(69,529)	2,654
Total assets	**(609,079)**	**(727,951)**	**118,872**
Other non-current liabilities	0	(2,357)	2,357
Client advance payments	(161,735)	(186,207)	24,471
Trade payables	(447,343)	(539,388)	92,045
Total liabilities	**(609,079)**	**(727,951)**	**118,872**

Reclassified Consolidated Condensed Balance Sheet Maire Tecnimont *(Valori in migliaia di Euro)*	December 31, 2022	December 31, 2021	*Change 2022 - 2021*
Non-current assets	738,462	751,361	*(12,898)*
Adjusted net working capital	(160,986)	(93,710)	*(67,276)*
Employee provisions	(10,190)	(10,792)	*603*
Net Capital Employed	**567,287**	**646,858**	***(79,571)***
Group shareholders' equity	491,574	493,252	*(1,678)*
Minority interest capital and reserves	36,477	34,098	*2,379*
Adjusted net financial position (*)	(93,790)	(8,882)	*(84,909)*
Lease financial liabilities - IFRS 16	133,026	128,389	*4,637*
Hedging	**567,287**	**646,858**	***(79,571)***

(*) 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" decreased on the end of the previous year, mainly due to reclassification as short-term of a portion of withholdings under guarantee in connection with the Amursky Gas Treatment Project (AGPP). This, on the basis of certain contractual conditions, will be released within 12 months. Simultaneously, the increases related to both intangible assets for ongoing investments in new software and related implementations for new initiatives connected with the Digital Transformation program undertaken by the Group and the development of new technologies, particularly in relation to the Nextchem Group's activities and to implementation activities and improvements related to the mechanical plastic recycling plant located in Bedizzole. An additional increase concerns the deferred tax assets arising on temporary charges deductible in future years, mainly related to the significant decrease in the mark-to-market of the hedging derivatives recorded among equity in the valuation reserve net of the related tax effect.

Net working capital further improved in 2022, with a cash generation of approx. Euro 67.3 million, thanks to the operating activities on the main ongoing projects and advances from clients regarding the new order intake at the end of 2021, although collected only in 2022 and which therefore provided a further cash flow benefit; net capital employed therefore decreased by a total of approx. Euro 79.6 million compared to December 31, 2021, again as a result of cash generation from projects.

Group Shareholders' equity at December 31, 2022 amounts to Euro 491,574 thousand, a net decrease of Euro 1,678 thousand compared to December 31, 2021 (Euro 493,252 thousand).

Total consolidated Shareholders' Equity, considering minority interests, at December 31, 2022 amounts to Euro 528,051 thousand, an increase of Euro 702 thousand compared to December 31, 2021 (Euro 527,350 thousand).

The overall decrease in consolidated Shareholders' Equity, despite the net income in the year of Euro 90.4 million, is mainly due to the negative change in the Cash Flow Hedge reserve of the derivative instruments, which mainly relates to the temporary mark-to-market losses of the derivative instruments to hedge the currency and raw materials risk of the revenues and costs from the projects, net of the relative tax effect for Euro 36,620 thousand. The changes are a consequence of exchange rate movements, mainly of the US Dollar against the Euro, during 2022 due to the situation arising on the foreign exchange markets following the emergence of international tensions, and in the financial markets due to rising interest rates, resulting in a strengthening of the US Dollar against the Euro. The negative mark-to-market which had a negative impact on the Cash Flow Hedge Reserve will be offset by future operating cash inflows of the same amount, entirely neutralizing the temporary negative impacts.

The currency movements, principally in relation to the appreciation of the Ruble against the Euro, positively impacted the translation reserve of financial statements in foreign currencies, supported by the adoption of the current exchange rate conversion method for the overseas companies which prepare their financial statements in a functional currency other than the Euro, in particular for the Russian subsidiary, MT Russia; the foreign currency balance sheet translation reserve in this case increased by Euro 2,588 thousand.

Other reductions concerned the payment of the dividend approved by the Shareholders' AGM of April 8, 2022, of Euro 60,105 thousand and the purchase of treasury shares during the year to service Maire Tecnimont stock-based remuneration and incentive plans adopted by the Company.

The adjusted Net Financial Position at December 31, 2022 reports net cash of Euro 93.8 million, improving Euro 84.9 million on December 31, 2021, thanks to the generation of operating cash from the projects in portfolio.

The Net Financial Position is outlined in the following table:

NET FINANCIAL POSITION *(in Euro thousands)*	***Note (*)***	**December 31, 2022**	**December 31, 2021**	***Change***
Short-term debt	*28.26*	310,837	136,426	*174,411*
Current financial liabilities - Leasing	*28.25*	22,559	21,276	*1,283*
Other current financial liabilities	*28.30*	2,780	330	*2,450*
Financial instruments - Derivatives (Current liabilities)	*28.29*	43,381	20,288	*23,094*
Financial debt - non-current portion	*28.19*	290,781	448,937	*(158,156)*
Financial instruments - Derivatives (Non-current liabilities)	*28.23*	80	7,536	*(7,456)*
Other non-current financial liabilities	*28.24*	180,132	179,865	*267*
Non-current financial liabilities - Leasing	*28.25*	110,467	107,113	*3,354*
Total debt		**961,016**	**921,771**	***39,246***
Cash and cash equivalents	*28.17*	(762,463)	(677,100)	*(85,363)*
Temporary cash investments	*28.15*	(916)	(779)	*(136)*
Other current financial assets	*28.15*	(6,570)	(4,521)	*(2,049)*
Financial instruments - Derivatives (Current assets)	*28.14*	(13,082)	(26,580)	*13,498*
Financial instruments - Derivatives (Non-current assets)	*28.6*	(4,308)	(16,600)	*12,292*
Other non-current financial assets	*28.7*	(109,032)	(51,084)	*(57,947)*
Total cash and cash equivalents		**(896,371)**	**(776,665)**	***(119,706)***
Other financial liabilities of discontinued operations		0	0	*0*
Other financial assets of discontinued operations		0	0	*0*
Net Financial Position		**64,645**	**145,106**	***(80,460)***
"*Project Financing - Non Recourse*" financial payables	*28.19, 28.26*	(7,520)	(8,559)	*1,038*
Other non-current assets - Expected repayments	*28.8*	(17,439)	(16,422)	*(1,016)*
Financial payables - Warrants	*28.24*	(451)	(617)	*166*
Finance lease payables IFRS 16	*28.25*	(133,026)	(128,389)	*(4,637)*
Adjusted Net Financial Position		**(93,790)**	**(8,882)**	***(84,909)***

(*) 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 financial position at December 31, 2022 reports a small increase in the gross debt; in fact there was greater use of both the credit lines to manage current commercial requirements and the use of working capital lines in support of short-term requirements within the framework of the working capital management for several projects. In 2022, instalments on the medium/long-term loan of a nominal Euro 185 million were repaid by the subsidiary Tecnimont S.p.A. for approx. Euro 65 million and on the Maire Tecnimont loan of a nominal value of Euro 365 million, backed 80% by SACE's Italy Guarantee for approx. Euro 45.6 million.

Further increases in gross debt were recorded for the Euro Commercial Paper Program; in fact, Maire Tecnimont S.p.A launched its first ECP program for the issue of one or more non-convertible notes placed with selected institutional investors, unrated and with a duration of three-years and a maximum overall value of the notes issued and not reimbursed of Euro 150 million. At December 31, 2022, the Euro Commercial Paper Program had been utilized for Euro 2.5 million, with maturity of the notes January 2023. The average weighted interest rate on outstanding financial liabilities was approx. 2%; in 2022, notes totaling Euro 196.9 million were issued, with reimbursements of Euro 194.4 million, with an average weighted interest rate on all financial liabilities which was approx. 0.67%;

As previously outlined, the net financial position at the end of December 2022 was impacted by the temporary changes to the mark-to-market of the derivatives, which at December 31, 2022 had a negative value of Euro 26.1 million and in 2022 decreased by Euro 41.4 million, mainly with regards to the derivatives hedging exchange risk on order revenue and cost fluctuations, the price of certain raw materials and movements in the Maire Tecnimont share price related to the personnel incentive plans.

The decreases are essentially a consequence of exchange rate movements, mainly of the U.S. Dollar against the Euro during 2022, due to the situation created on the currency markets by the international tensions stemming from the Russian-Ukrainian crisis. The negatively affected mark-to-market will be offset by revalued future operating cash inflows of a similar amount.

Lastly, there was a significant increase in cash and cash equivalents, which at December 31, 2022 amounted to Euro 762,463 thousand, up Euro 85,363 thousand on December 31, 2021, with this positive change more than offsetting the negative changes of the increase in gross debt and the negative mark-to-market of derivative instruments as outlined above.

The main cash flow movements are reported below:

Cash Flow Statement *(in Euro) thousands*	**December 31, 2022**	**December 31, 2021**	***Change 2022-2021***
Cash and cash equivalents at beginning of the year (A)	677,100	705,327	*(28,226)*
Cash flow from operations (B)	275,777	196,499	*79,277*
Cash flow from investments (C)	(25,218)	(31,016)	*5,798*
Cash flow from financing (D)	(165,196)	(193,710)	*28,514*
Increase/(Decrease) in cash and cash equivalents (B+C+D)	85,363	(28,227)	*113,590*
Cash and cash equivalents at end of the year (A+B+C+D)	762,463	677,100	*85,363*
of which: Cash and cash equivalents of Discontinued Operations	*0*	*0*	*0*
Cash and cash equivalents at end of period reported in financial statements	762,463	677,100	*85,363*

Operating activities generated cash in the year of Euro 275,777 thousand (Euro 196,499 thousand in 2021), with a continual improvement and driven by the profit for the year and working capital changes; cash flows from operating activities include also income tax payments, which in 2022 totaled Euro 64,177 thousand.

As already outlined, net working capital in fact further improved in 2022 thanks to the operating activities on the main ongoing projects and advances from clients regarding the new order intake at the end of 2021, although collected only in 2022 and which therefore provided a further cash flow benefit.

Cash flow from investing activities however absorbed cash totaling Euro 25,218 thousand (Euro 31,016 thousand in 2021), 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 on investments also include implementation activities and improvements related to the mechanical plastics recycling plant located in Bedizzole, Euro 915 thousand for the price paid for the purchase of a 30% minority interest in an already controlled company, and Euro 1,508 thousand for the price paid for the purchase of 51% of Tecni and Metal Private Limited, an Indian company that carries out construction activities and specifically mechanical and piping work for Oil & gas, petrochemical and fertilizer plants.

Financial activities, similar to investing activities, also absorbed cash overall of Euro 165,196 thousand (Euro 193,710 thousand in 2021), attributable to the repayment of approx. Euro 65 million of the medium-to long-term loan with a nominal value of Euro 185 million by the subsidiary Tecnimont S.p.A. and in relation to the Maire Tecnimont loan of a nominal Euro 365 million, backed 80% by SACE's Italy Guarantee for approx. Euro 45.6 million, the interest paid and repayments of principal portions of financial leasing liabilities, payment of the dividend approved by the Shareholders' Meeting in the amount of Euro 60,105 thousand, and purchases of treasury shares in the amount of approx. Euro 2.9 million. At the same time, funds from the start-up of the Euro Commercial Paper Program were used, which at December 31, 2022, amounted to Euro 2.5 million. There was also a slight increase in overdraft balances on current accounts, overdraft lines used for the management of short-term commercial cash flows, and working capital lines to support short-term needs as part of the working capital management of some projects.

ALTERNATIVE PERFORMANCE INDICATORS

In compliance with CONSOB Communication No. 0092543 of December 3, 2015, indications are provided in relation to the composition of the performance measures 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 133,026 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, 2022 the company's receivables/payables (including financial) and cost/revenue transactions with related parties for the period are presented in the tables below.

31/12/2022 (in Euro thousands)	Trade Receivables	Trade Payables	Financial Receivables	Financial payables	Costs	Revenues
G.L.V. Capital S.p.A.	1	(251)	0	0	(809)	1
Maire Investments Group	32	(0)	0	0	(164)	27
Luigi Alfieri	0	(63)	0	0	(338)	0
Total	**33**	**(313)**	**0**	**0**	**(1,311)**	**27**

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 refer to personnel accounting services.

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 or loans within the centralized liquidity management; in addition, certain consortiums, having substantially concluded operations, are in liquidation:

31/12/2022 (in Euro thousands)	Trade Receivables	Trade Payables	Financial Receivables	Financial payables	Costs	Revenues
Studio Geotecnico Italiano S.r.l.	0	(104)	0	0	(168)	0
Villaggio Olimpico MOI S.c.a.r.l. in liquidation	0	0	24	0	0	0
Biolevano S.r.l.	3	0	0	0	0	11
TCM KTR LLP	107	0	690	0	0	34
Exportadora de Ingenieria y Servicios Tcm Spa	0	0	0	(67)	0	0
Volgafert LLC	9,776	0	0	0	0	11,347
JV TSJ Limited	0	(110)	0	0	0	0
Hidrogeno Cadereyta - S.A.P.I. de C.V.	102	0	1,435	0	0	77
Nextchem S.p.A.	15,475	(1,472)	9,151	0	(11,084)	12,813

31/12/2022 (in Euro thousands)	Trade Receivables	Trade Payables	Financial Receivables	Financial payables	Costs	Revenues
MyRechemical S.r.l.	1,160	0	0	0	0	805
Mdg Real Estate S.r.l.	0	0	0	0	(49)	0
Stamicarbon US	0	0	0	0	(53)	0
Met T&S Management	5	0	0	0	0	4
GCB General trading	0	0	13	0	0	0
Gulf Compound&Blending Ind.	89	0	972	0	0	20
Maire Tecnimont Foundation	277	0	0	0	(487)	227
Total	**26,994**	**(1,686)**	**12,285**	**(67)**	**(11,842)**	**25,338**

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, 2022, the Group had paid contributions amounting to Euro 487 thousand and rendered various services to the Foundation for a total value of approximately Euro 227 thousand.

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

31/12/2022 *(in Euro thousands)*	Remuneration
Directors	5,715
Statutory Auditors	337
Total	**6,052**

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 2022 Corporate Governance and Ownership Structure Report and the 2023 Remuneration Report, both available on the company website at www.mairetecnimont.it in the "Governance" section.

With reference to the related party transactions reported, such were concluded in the interest of Maire Tecnimont S.p.A. and its subsidiaries.

RELATED PARTY TRANSACTIONS MAIRE TECNIMONT S.P.A.

In view of the transactions carried out by Maire Tecnimont in 2022, 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 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.

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.

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 (Stamicarbon B.V. 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, MET T&S Limited, 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., 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, Nextchem S.p.A., MyRechemical S.r.l.).

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, 2022, Maire Tecnimont had paid contributions amounting to Euro 70 thousand and rendered various services to the Foundation for a total value of approximately Euro 53 thousand.

With reference to the related party transactions reported, such were concluded in the interest of Maire Tecnimont S.p.A. and its subsidiaries.

The Company's receivables/payables and cost/revenue transactions with related parties for 2022 are presented in the tables below:

(Euro thousands) 31/12/2022	Trade Receivables	Trade Payables	Financial Receivables	Financial Payables	Receivables (payables) for VAT consolidation	Receivables (payables) for fiscal consolidation	Receivables for excess IRES ceded	Receivables (payables) for cash pooling	Revenues	Costs	Financial Income	Financial Expense
Tecnimont S.p.A.	14,466	(1,044)	107,044		(34,283)	10,946		(177,132)	28,196	(3,879)	13,784	(132)
KT S.p.A.	6,194	(764)	175,260	(107,000)		7,876		11,318	4,693	(366)	2,938	(2,566)
Neosia Renewables S.p.A.	239		41,330		(205)	(118)		507			926	
Stamicarbon B.V.	70	(104)						(18,484)	235	(4)	8	(108)
Met Gas Processing Technologies S.p.A.	3		26		(11)	(15)		5	10		2	
G.L.V Capital S.p.A.		(251)								(809)		
MST S.r.l.	439	(4)	59,413		(3,025)	(474)		(313)	341	(237)	1,398	(3)
Met Development S.p.A.	135		14,000		689	(200)		(403)	219		317	
Met Dev 1 S.r.l.	11		1,834			1,192		1,562			37	
OOO MT Russia	101								186		325	
TPI	46	(152)							16		3	
TCM France	46	(678)										
MET T&S LIMITED	230	(1)	9,000					(483)	7		172	(1)
Cefalù S.c.a.r.l.	15				(282)		300				5	
Tecnimont Private Limited	1,602								40		85	
Tecnimont México	1								5			
Tecnimont USA Inc.	10								5			
Tecnimont Arabia Ltd	48								5		16	
MyReplast Industries Srl	10											
MyRechemical					91			(313)				
Met Newen Mexico S.A. de C.V.	762								99		11	
Biolevano S.r.l.	3								11			
Cosorzio Turbigo 800									1			
Nextchem S.p.A	143	(1,043)	8,574		677			577	40	(1,027)	374	
TCM Nigeria											23	
TCM Philippines	62		2,110								54	
TCM-KT JV S.r.l.	15				(4,232)	(1,098)		15,683			105	(970)
kt india	1											
Esperia										(48)		
TCM/Valesstroy												
TCM Egitto	447											
Stamicarbon USA	1			(5,000)								
KT Arabia	10										10	
Transfima Geie	8										8	
Fondazione Maire Tecnimont	65								53	(70)		
Luigi Alfieri		(63)								(338)		
Totale	**25,184**	**(4,105)**	**418,590**	**(112,000)**	**(40,583)**	**18,109**	**300**	**(167,477)**	**34,164**	**(6,778)**	**20,599**	**(3,779)**

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

31/12/2022 *(in Euro thousands)*	Remuneration
Directors	5,715
Statutory Auditors	200
Total	**5,915**

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 2022 Corporate Governance and Ownership Structure Report and the 2023 Remuneration Report, both available on the company website at www.mairetecnimont.it in the "Governance" section.

8. Human Resources, Training & Incentives

HUMAN RESOURCES

Personnel numbers continued to increase in the year, reaching 6,451 at December 31, 2022 (6,358 at December 31, 2021, an increase of 93). There were 1,473 new hires, which more than offset the 1,380 departures in the period. The latter largely related to the Russian Federation due to the gradual suspension of Group operations in the country, with management of the pre-sanctions projects and redirection of resources to other projects in portfolio - in addition to the completion of the Kstovo and Omsk projects.

The geographical areas most affected by this increase are:

• Italy & Rest of Europe, with an increase of 216 employees, of which 153 within Italy, mainly new hires in the Parent Company and the subsidiaries KT Kinetics Technology and Tecnimont; the workforce for the Green Energy business unit also continued its growth (+69) as a result of continued investment in this area of business, which remains a strategic priority for the Group.

The increase of 63 resources in the Rest of Europe is mainly attributable to the UK subsidiary MET T&S Limited (+25 resources), which continued to play its key role in international staffing for various Group projects. The remainder of the increase concerns the European branches – of Tecnimont and KT Kinetics Technology – in Croatia, Belgium and Poland to support ongoing EPC projects, confirming the European Union as strategically and operationally the most important region;

- Middle East, where employee numbers increased from 93 to 227 (+144% compared to the end of last FY), in line with the start of activities on the Borouge 4 Project in the United Arab Emirates and the beginning of the crucial phase of the APOC Project in Saudi Arabia;

- North Africa and Sub-Saharan Africa, with a 30% increase in headcount over the end of 2021, attributable to the gradual increase in local resources working on the PHRC Project in Nigeria;

- America, with a 64% increase over last year, mainly due to placements in Chile and the USA. Of note in this regard are the renewable activities in Chile, which highlight the Group's success and investment in this context and business sector.

It should be noted, compared to the previous year, the decrease of 339 resources in the Central Asia, Caspian and Turkey area where, in view of the continuation of the Russian-Ukrainian crisis and the suspension of Russian projects, the company's presence in the Russian Federation is limited to the mere management of work, with the operational resources involved having been employed on the other projects in the portfolio. In this regard, we note the completion of the Kstovo and Omsk projects and, as a result of the suspension of the AGCC project, the demobilization of the site team, in line with the company's strategy of gradually reducing its presence in the country, in relation to the projects under construction, and excluding possible new acquisitions in the Russian Federation.

Graduates at the Maire Tecnimont Group at December 31, 2022 accounted for 71% of the workforce; the average age was approx. 43.

With regard to gender composition, the Group's female workforce stands at 20%, 75% of whom are graduates. In this regard we note that of the total number of female hires in the year, those with university degrees exceeded 90%, confirming the continuity and progressive consolidation of the Group's investment in the increasing enhancement of the role of women and the preservation of the skills and professional assets possessed by this segment of the corporate population. This investment is part of a broader program of actively promoting an inclusive culture, which constitutes a distinctive and fundamental guideline of the Group's Human Resources management policy. This, in turn, is designed to create a corporate environment in which different personal and cultural characteristics and orientations represent a resource and a source of mutual enrichment.

The workforce at 31/12/2022 of the Maire Tecnimont Group, with movements (by qualification and region) on 31/12/2021 (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 31/12/2022 and 31/12/2021, with the relative movements.

Change in workforce by category (31/12/2021 - 31/12/2022):

Category	Workforce 31/12/2021	Hires	Departures	Reclassification employee category (*)	Workforce 31/12/2022	Cge. Workforce 31/12/2022 vs. 31/12/2021
Executives	679	15	(48)	12	658	(21)
Managers	2,415	298	(334)	134	2,513	98
White-collar	3,095	1,081	(968)	(144)	3,064	(31)
Blue-collar	169	79	(30)	(2)	216	47
Total	**6,358**	**1,473**	**(1,380)**	**0**	**6,451**	**93**
Average headcount	***6,162***				***6,457***	***295***

(*) 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 (31/12/2021 – 31/12/2022):

Region	Workforce 31/12/2021	Hires	Departures	Reclassification employee category (*)	Workforce 31/12/2022	Cge. Workforce 31/12/2022 vs. 31/12/2021
Italy & Rest of Europe	3,187	588	(387)	15	3,403	216
Central Asia, Caspian and Turkey	749	178	(515)	(2)	410	(339)
India, Mongolia, South East and rest of Asia, Australia	2,095	354	(338)	(12)	2,099	4
The Americas	28	23	(5)	0	46	18
Middle East	93	158	(23)	(1)	227	134
North Africa and Sub-Saharan Africa	206	172	(112)	0	266	60
Total	**6,358**	**1,473**	**(1,380)**	**0**	**6,451**	**93**

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

Changes in workforce by operational region (31/12/2021 – 31/12/2022):

Region	Workforce 31/12/2021	Workforce 31/12/2022	Cge. Workforce 31/12/2022 vs. 31/12/2021
Italy & Rest of Europe	2,882	3,154	272
Central Asia, Caspian and Turkey	986	567	(419)
India, Mongolia, South East and rest of Asia, Australia	1,990	2,006	16
The Americas	33	56	23
Middle East	143	290	147
North Africa and Sub-Saharan Africa	324	378	54
Total	**6,358**	**6,451**	**93**

Average headcount:

Maire Tecnimont Group	Average headcount 2021	Average headcount 2022	Change
Maire Tecnimont S.p.A.	170	182	12
Neosia Renewables SpA	8	8	0
Met Development S.p.A.	4	6	2
MET T&S Limited	152	229	77
Stamicarbon (*)	205	213	8
Stamicarbon USA Inc.	1	1	0
KT (*)	696	671	(25)
KT Arabia LLC	1	2	1
KT Star	2	2	0
KT - ANGOLA (SU) LDA.	52	54	2
Nextchem S.p.a.	53	72	19
MyRechemical S.r.l.	10	13	3
MyReplast Industries S.r.l.	36	36	0
BIO-P S.r.l.	2	0	(2)
Tecnimont S.p.A. (*)	1,947	1,963	16
Tecnimont HQC BHD	37	36	(1)

Maire Tecnimont Group	Average headcount 2021	Average headcount 2022	Change
MT Russia OOO	463	404	(59)
Tecnimont Philippines, Inc.	1	1	0
TCM-KT JV Azerbaijan LLC	91	97	6
Tecnimont Arabia Company Limited	14	60	46
Tecnimont Private Limited (*)	2,023	2,003	(20)
TECNIMONT E&I (M) SDN. BHD.	2	2	0
Ingenieria Y Construccion Tecnimont Chile Y Cia. LTDA	2	6	4
TPI Tecnimont Planung und Industrieanlagenbau Gmbh	46	48	2
Tecnimont Usa Inc.	14	18	4
Tecnimont Mexico SA de CV	1	4	3
TWS	2	1	(1)
Tecnimont Nigeria Ltd	21	125	104
Tecnimont do Brasil-Contruçao de projetos LTDA	4	4	0
MST S.p.a.	103	198	95
Cefalù 20	1	0	(1)
Total	**6,162**	**6,457**	**295**

(*) Figure also includes Branches and representative offices.

Maire Tecnimont Group	Average headcount 2021	Average headcount 2022	Change
Engineering	2,917	3,013	96
Operations	1,267	1,341	74
Remainder Technical Area	889	960	71
Commercial Area	179	192	13
Staff Area	910	950	40
Total by professional category	**6,162**	**6,457**	**295**

Maire Tecnimont Group	Average headcount 2021	Average headcount 2022	Change
Italy & Rest of Europe	3,019	3,360	341
Central Asia, Caspian and Turkey	701	580	(121)
India, Mongolia, South East and rest of Asia, Australia	2,101	2,079	(22)
The Americas	24	34	10
Middle East	158	145	(13)
North Africa and Sub-Saharan Africa	159	258	99
Total by region of hire	**6,162**	**6,457**	**295**
Of which:			
Italian open-ended	2,515	2,713	198
Italian fixed term	20	28	8
Total	**2,535**	**2,741**	**206**

PERSONNEL TRAINING AND DEVELOPMENT

In 2022, the "Maire Tecnimont Flourishing Program" and the DE&I initiatives constituted the two main focuses of the Group's Human Capital Development strategy, confirming the enhancement and further strengthening of development and training initiatives as levers for engagement and the growth of staff skills, which is a key asset for sustainable business success over the long term.

The "Maire Tecnimont Flourishing Program" is designed to develop the new managerial generation in order to support change and, in particular, to implement the company's long-term energy and digital transition strategy. In this regard we note the initiation of Phase II, through the hosting of an event dedicated to enacting the results of the project to enhance organizational culture and the beginning of in-depth sessions on the development tools available to the project (Individual Style Profile and Development Plan Report). These involved the direct supervisors of young "flourishers" in particular, and provided an important and meaningful opportunity to equip them with practical tools and suggestions that could be used in managing development interviews with their own staff.

The "Challenging Mentoring Program" also began at the end of 2022. This was dedicated to 50 young "flourishers" as mentees and 50 managers as mentors, who were placed on an innovative skills and professional development path which will use interaction to stimulate them to meet and engage in tackling priority challenges for the Group together.

Setup activities continued in parallel on the Phase II action plan for the Maire Tecnimont Flourishing Program, which is aimed at staff of the Indian company TCMPL. This plan includes the introduction of specific initiatives to act on data from the organizational culture analysis, the delivery of training sessions regarding the development tools adopted, and the beginning of growth paths designed to consolidate managerial and coaching skills for the key managers identified.

The Function also strengthened its commitment to defining and promoting training activities to facilitate discussion about and reflect on issues of Diversity, Equality & Inclusion (DE&I). These issues form part of the Group's sustainability strategy, which seeks to create a corporate environment and culture that is increasingly conducive to the dissemination and promotion of the enhancement of diversity, inclusion and opportunities for innovation, in addition to personal and professional growth and improvement. This training course is carried out in partnership with Valore D and a diversity & inclusion path within the "Methodologies and competencies for innovation" program, and forms part of the broader action plan developed in 2022 by the newly formed DE Working Group&I. This involves several corporate Functions and is based on the core values of respect for the individual, valuing diversity, merit, equality and fairness, as set out in the Group's Code of Ethics, and seeks to consolidate a culture that promotes the value of uniqueness as the foundation of our staff's daily action and an indispensable condition for the Group's pursuit of sustainable success. The Working Group's efforts are focused on maintaining the centrality of Staff by valuing and enhancing their skills, distinctiveness, experience, knowledge and personal abilities, through the ongoing promotion of ad hoc initiatives for the widespread dissemination of the culture of equal opportunities, inclusion and the enhancement of diversity.

Underlining the centrality of the innovation and digitalization within the Group's initiatives, and with the objective of promoting the diffusion and awareness of these issues within the corporate population, among other events organized for a group of selected young people were a training event in collaboration with Prof. Henry Chesbrough of Berkeley University on the topic of Open Innovation and an interactive workshop on the topic of Agile Project Management, with the support of a qualified consulting firm. Following these initiatives, a development path has been designed to test solutions to improve the way people work and experience the digital dimension ("Digital Citizen"), and to improve the soft skills that will accompany young people toward acquiring the people management skills and practices required as part of the transformations underway.

Training in the fiscal year was delivered through the MET Academy platform, the social collaboration tools already in use, and by reinitiating courses and in-person training events, at all times in full compliance with the applicable social distancing regulations in the field of Health and Safety. Among the main new introductions is an important training course called "Methodologies and Skills for Innovation," presented thanks to the opportunity offered by the New Skills Fund, a public fund co-financed by the European Social Fund to encourage companies to invest in improving their employees' skills. Having identified the strategic competencies which will help consolidate the company population's approach to innovation, the Group has promoted this path to: i) strengthen and adapt skill- and knowledge-sets in the face of needs arising from new working and organizational methods; ii) respond adequately and effectively to the new market challenges imposed by the current economic scenarios and, finally, iii) consolidate an approach which seeks to value diversity in order to help spread a corporate culture that is consistent with the Corporate Sustainability Strategy. The course involved all staff at the Group's main Italian companies through virtually delivered workshops and recorded a total of 11,480 participants and 39,398 hours of training delivered. The training sessions were widely appreciated, including in terms of applicability to work activities, and were geared toward the acquisition of multidisciplinary and cross-cutting skills relating to issues of concrete interest to the staff involved. These included tools and rules for effective communication in the digital age and, as mentioned above, diversity & inclusion. The course also included a plan focusing on strengthening managerial skills, which was dedicated to staff with a role in coordinating groups of people.

During the year, activities also continued for staff identified for succession planning, through the preparation and updating of ad hoc development paths.

With a view to enhancing and strengthening employee engagement, we note the launch of a new partnership with the Polytechnic University of Milan through participation in the Joint Research Center project "Deep Social Analytics for Employee Engagement". This is designed to assess engagement levels and the interaction between well-being and the performance of employee working on one of Maire Tecnimont Group's most significant contracts, and will see action plans prepared for the areas of greatest need.

2022 also saw the continuation of the Maire Tecnimont UP - In Support of SMEs program, which is dedicated to sharing knowledge and lessons learned with strategic Italian suppliers as part of a broader set of initiatives to enhance in-country value. The final session was held in Q1 and sought to encourage discussion and knowledge sharing on environmental and sustainability topics. The event was an opportunity to analyze the Group's sustainability strategy with selected partners and to explore business opportunities arising from the energy transition, with a particular focus on the supply chain.

The dual delivery mode of training and development (digital and in-presence), enabled the provision of around 5,600 hours in the area of project management, more than 36,600 hours in the technical-specialist area, and approximately 46,000 hours dedicated to the consolidation of soft skills, prioritizing initiatives focused on strengthening multicultural awareness and managerial skills. The Group also continued to invest in cyber security training topics, confirming their importance and Tecnimont’s ongoing commitment to consolidating employee awareness of and sensitivity to potential cyber risks and the preventative behaviors to be adopted.

The commitment to promoting a culture of health and safety and well-being among Home Office staff translated into 18,035 hours of information and training provided to a total of 4,256 participants. There was a 48% increase on 2021 in hours provided, demonstrating the Group’s focus on HSE and Social Accountability. Training also included initiatives designed to improve knowledge and increase awareness of the Group's HSE & SA8000 Multisite management systems and specific training activities on high risk (including for personnel seconded to construction sites) and the role of the Person in Charge, in accordance with health and safety regulations.

In collaboration with the Supervisory Boards, training was also provided on the knowledge of Legislative Decree No. 231/2001, the Maire Tecnimont Group Code of Ethics, and the Organization, Management and Control Model of the Parent Company and its Italian Subsidiaries. These are essential documents in the corporate documentation system, and incorporate the ethical principles and values that form the basis of the Maire Tecnimont Group culture and which must guide the conduct of everyone working in the Group. The upcoming launch of an e-learning pill on the Code of Ethics and Business Integrity Policy was also announced.

As evidence of the importance placed on the energy transition, following the establishment of the Hydrogen Function at the NextChem Subsidiary, setup concluded on the creation of an e-learning pill, called "Hydrogen for all". This illustrates the essential information related to hydrogen, its functionality and production, and the importance of its current and future use from a green perspective.

In addition to the activation of the plan "Methodologies and skills for innovation," presented through the aforementioned New Skills Fund, discussion and collaboration with the trade union representatives enabled continued commitment to the presentation of training plans financed through the chief inter-professional funds in the sector. These are dedicated to both institutional and technical-specialist training initiatives.

In addition, the in-person delivery of induction sessions to new hires – which cover the company structure and key organizational processes – resumed in May. We note that the Group has launched new initiatives for young trainees employed by its Indian subsidiary TCMPL under the umbrella of a broader, revised Group Graduate Program coordinated by the Parent Company. These initiatives focus more specifically on consolidating knowledge of topics related to industrial safety.

Implementation of the performance management process (Employee Performance Commitment) also continued, and was extended to home office employees and staff working at sites in new countries, such as Nigeria and Türkiye.

The initiatives organized on the topic of Employer Branding and to strengthen networks with the academic world saw the Group participate in 2022 Career Days at the Polytechnic University of Milan, LUISS Guido Carli University and Sapienza University of Rome. The Group also continued to establish partnerships with several international universities, including Baku Oil School and campuses located in the Mumbai area. Finally, we note that the Group has entered into partnerships with the Polytechnic University of Milan and Cattolica University of Milan’s Master's degree programs and business schools. These provided for ad hoc training sessions and business presentations focused on entering the world of work were organized for students.

COMPENSATION AND INCENTIVES

As regards compensation, February 25, 2022 saw the approval of the 2022 Remuneration Policy, contained in the "2022 Remuneration Policy and Report," prepared in accordance with Article 123-*ter* of the CFA and approved by the Board of Directors. This Policy is inspired by the principles of the Group's Code of Ethics and the provisions of the Corporate Governance Code. As in previous years, it is designed to contribute to achieving the Company's strategic objectives, confirming its purpose of attracting and retaining professionals with the skills necessary to manage and operate successfully within the Group. The Shareholders' Meeting of April 8, 2022 approved this Policy and resolved - among other matters mentioned below - to activate a long-term incentive plan based on financial instruments. This will run over three three-year cycles, and is designed to continue the engagement and retention of the figures deemed most critical to achieve long-term objectives and remain consistent with the company's strategic evolution and the time period of the new Board of Directors' term of office. In this regard, the Board began the implementation phase of the First Cycle of the aforementioned plan, covering the three-year period 2022-2024 (LTI Plan 2022-2024) and designed to ensure that the sustainable value growth path pursued in previous years continued. The Plan provides for not only annual access conditions of an economic-financial nature, but also performance targets, measured at the end of the three-year vesting period or December 31, 2024. These also take into account parameters related to sustainability issues, which in turn refer to the various pillars of the Group's sustainability strategy, i.e. local content policies, investment in training, performance related to the Lost Time Injury Frequency Rate index, CO_2 emissions, and the portfolio of enabling technologies for the energy transition and circular economy, in line with the objectives of the Group's Sustainability Strategy and business plan.

Also in the area of equity-based plans, on May 25 the Board of Directors confirmed the launch of the Third Cycle (2022) of the 2020-2022 General Share Plan for all employees, granting the relevant Rights on July 28, 2022. As in previous years, the 2022 cycle also recorded an overall membership rate of more than 94%, reflecting employees' ongoing appreciation of the initiative.

The MBO short-term incentive plan dedicated to the Chief Executive Officer, General Manager, and Senior Executives for the three-year period from 2022 to 2024 was approved at the Board of Directors meeting held on February 25. In line with prior experience, the plan intends to promote the achievement of annual objectives and also provides a mechanism for deferring a portion of the bonus. Doing so allows the Group to link short-term performance to the pursuit of sustainable success in the long term. In this regard, we note that an objective closely linked to Environmental, Social and Governance (ESG) topics with a 10% weighting has been added to the corporate objectives belonging to this system to further strengthen the focus on sustainability topics as an integral component of the Group's industrial strategy, which is particularly focused on reducing the Group's emissions impact. Issues relating to health and safety protection, enhancement of Human Capital and environmental sustainability are also included within the various individual goals. 2022 saw work continue on setting and assigning targets in accordance with the MBO plan or the current Group Incentive Standard for Senior Executives and other individuals considered critical to business. In addition to the increased focus on non-financial indicators linked to ESG topics, the Group confirms the adoption of a rolling approach to projects, with the allocation of a target for H2 to guide the actions of key resources when managing new priorities promptly and flexibly.

In H1, the objectives related to the incentive and engagement systems in place for the year under review were also achieved and the relevant bonuses were awarded. In line with current trade union agreements, annual bonuses and profit sharing figures for 2021 were also approved, in addition to the flexible benefits portion of the MAIRE4YOU Plan for the same period. We also note that, having verified the achievement of the Second Cycle (2021) performance objectives included in the ordinary 2020-2022 General Share Plan, the Board of Directors met on May 25 to approve the allocation - on July 7, 2022 - of shares to more than 4,000 beneficiaries who had signed up to the Plan.

In 2022, the Parent Company also continued, with dedicated initiatives, to provide guidance and support to the operating companies, through the definition of Remuneration Policy guidelines based on the recognition of merit and best performance, in compliance with principles of aligning remuneration levels in terms of internal equity between organizational positions and external competitiveness with respect to local markets, while also taking into account the dynamics related to inflation trends. The Parent Company also supported the companies in the management of the Remuneration Policy processes implemented during the year, asking them to continue the action of focusing compensation interventions on the professional skills that are particularly exposed to the risk of possible expressions of interest from competitors and/or that have distinguished themselves by performance levels above expectations. In this regard, it is worth noting the introduction in December of a new project for the evaluation of organizational positions and salary benchmarking for the Indian market, in order to analyze the particular attrition in the sector and identify intervention actions aimed at the retention of professional staff in the company.

9. ICT, Information Systems and General Services

The available technology platform has made it possible to continue, again in 2022, to invest in maintaining high standards of corporate IT security, enhancing digital skills, and to engender a digital culture and an awareness and sensitivity to cyber security issues at the Group.

The project dedicated to the standardization of the degree of security and confidentiality of project documents throughout the life cycle continued. In the area of data protection (Information protection & Data loss prevention), data protection policies were drawn up - to further increase security and confidentiality in the exchange of documents with external partners - with new network solutions and specific security controls on company equipment introduced, in addition to (more generally) the development of all technological solutions capable of ensuring an adequate degree of security and capacity to prevent attacks and fraud.

The main cybersecurity actions put in place were:

- setting up and launch of the Cyber Fusion Center, a natural evolution of the SOC (Security Operation Center) - consisting of people, processes and technologies for monitoring and managing activities related to the security of the IT infrastructure (by way of example, network, systems and applications), while also for the introduction of proactive initiatives to further boost the level of protection of the organization, combining all Cybersecurity functions, threat intelligence, security orchestration, security automation, incident response, threat response and other solutions/services into a single collaborative unit.
- introduction of: i) an Extended Detection and Response (XDR) and security orchestration, automation and response (SOAR) solution that enables faster detection and response to cyber-attacks and internal/external threats by automating manual steps; ii) Yubikey key-based passwordless solutions for physical authentication of users to personal PCs and cloud resources via the FIDO2 protocol, as well as MFA authentication factors via cell phone, to reduce the risk of potential cyber fraud from digital identity substitutions and further raise the level of security and fraud prevention policies; iii) Cisco Meraki network and Fortinet Next Generation Firewall, for office-to-site communication; iv) a new Managed Detection & Response MDR Service to identify and respond to any threat on endpoints and restore them to operation; v) as part of the protection of services/portals and any exposed surfaces, Akamai's Web Application Firewall service, to prevent and block web-borne attacks; vi) a Breach and Attack Simulation solution (BAS), based on Picus, to support and measure cyber resilience; and finally, vii) a new a Cybersecurity Awareness program that, by utilizing the features of Awareness and Phishing solutions, leverages existing awareness and conduct.
- introduction of: i) a new Cyber Threat Intelligence service - as part of a plan to respond to threats generated by geopolitical conflicts - dedicated to all Group companies, and ii) via the Bitsight platform, of the ongoing monitoring of our evidence-based cybersecurity and cyber risk program, continuous measurement of the effectiveness of security controls and correction of any vulnerabilities and misconfigurations.

- Cybersecurity Assessments and a Penetration Test on Office 365 environments, Azure Cloud, and on all machines in all AD Forest domains by the Microsoft Dart Team, which revealed that almost all units (servers and workstations) are properly configured and aligned with Microsoft's security best practices.
- further extension and development of technologies such as Multifactors Authentication, Single Sign On, Passwordless authentication and secure web browsing/access through best-in-class solutions (e.g., Zscaler, Microsoft and BeyondTrust).
- encryption of data on company devices via MSBitlocker, using security patch deployment automatisms, for operating systems and applications.
- in the area of access control, extension to all the Group's Italian offices of the integrated system to enable the use of Yubikey as a user identity device not only digitally but also physically, i.e., for gate access, printer authentication and lockers.

From the point of view of infrastructure, we note the transfer of centralized systems to the Cloud Azure platform – confirming the growth of cloud services provided by selected providers, capable of guaranteeing high levels of security and quality standards – and the further extension of the Microsoft M365 suite, adopted as baseline IT equipment as it allows for full use of collaboration tools and data in the cloud and remotely while guaranteeing the highest security standards.

Wi-Fi 6-based technology has also been adopted by the Italian offices, ensuring even faster and more secure connectivity.

The EPC suite has also been consolidated, particularly in terms of collaboration and extended organization, while the demand for digital solutions has risen considerably, which can better meet contractual and customer requirements, for the EPC projects. This development is an additional major indicator of the Group's ongoing digital maturation process, reflecting the growing recognition by projects of the added value guaranteed by the introduction and development of the digital aspects.

We highlight the following initiatives to support EPC projects in the year:

. Knowledge Mining, a solution that identifies/extracts valuable information from site documentation, and refines accuracy through self-learning, leveraging artificial intelligence

- Digital Project Master, enterprise data hub that enables the collection and management of all relevant information over the life span of EPC projects

- Activity Registry & Alert Card, to properly analyze and track the progress of project overruns and identify their root causes and potential remedies

- TIMS (Technical Interface Management System), an Interface Management solution for the comprehensive management of interface points between the parties (e.g., Lead Contractor, Interfacing Contractor and Client) involved in the Engineering, Construction and Commissioning phases of EPC projects

- Packing List Management, with the start of the next project stream of the Nextend initiative with regard to metal structures through the roll-out on business projects and the continued introduction of Reporting tools; D365 Correspondence Management, the introduction on EPC projects of the portal developed for the management of formal and informal communication processes in the project scope has begun

- for Digital Improvement and Connected Plant, continuation of the intercompany project to develop a Process Optimization Engine, digital twin of the physical plant

- industrialization of a mathematical model of Advanced Analytics Piping

- full maturation and use of the dynamics - material management solution, now a Group standard for metalwork and extended, launched also on cables E&I

- release of the new App in Power BI for Engineering & Vendor Document, which expands the publication of EPC Process data to MET Reporting.

The following project streams are finally also of note: a) Extended reality and remote assistance, a platform that offers an immersive experience through the use of visors (Hololens) and b) Additive manufacturing, an initiative that seeks to learn more about the technology, materials, and design principles of 3D printing and how it can be strategically applied to corporate business cases.

As part of the digital transformation program we note the Advanced Painting & Isolation Analytics initiative – which extends the Advanced Analytics Piping mathematical model to cover painting & isolation – and the monitoring of the attendance and location of corporate emergency teams via a dashboard created so that the HSE department can monitor which personnel have been deployed to manage emergencies at corporate sites in real time while also facilitating the coordination of emergencies and evacuations.

We completed the following projects at the subsidiaries KT Kinetics Technology and Nextchem: i) Set-up of the Innovative and Advanced Mechatronics GreenMech Lab at NextChem's headquarters in Rome to analyze and develop specific technological components to improve the company's product and services offer with regard to the energy transition; ii) Set-up of a laboratory for the R&D Mewlife project and its connection to data collection and analysis systems.

The first phase of the PowerEstimator project was also completed to equip KT Kinetics Technology and Tecnimont with a new digital platform to support the Estimation function, based on Microsoft's M365 technology, unifying work processes and enabling integration with other engineering data collection and processing platforms. The IT infrastructure for the testing plant at the Abruzzo Science and Technology Park was also set up to enable the centralization and logging of data produced by the different plants in the Group cloud, and to guarantee access to Maire Tecnimont Group users.

As part of the IoT4MET platform, developed by the Maire Tecnimont Group's ICT Function, new applications have been released to address specific business needs such as: Dyno Forms, to assist on-site inspection activities, and IoT4Met - Emergency Management Monitoring, a new module on the IoT4Met platform released in collaboration with the HSE Department. Prometeo Alert Card replatforming was also carried out and the IoT4Met Energy Management System (EMS) module was released for monitoring energy consumption, emissions, room quality, as well as floor occupancy; the prototype is currently applied to the Garibaldi Towers complex in Milan.

In order to continue to ensure that systems compliance levels are maintained at the required levels, enterprise resource planning S/4 HANA and the entire SAP landscape, including GRC, were migrated to the cloud.

Lastly, the development of Finance supply chain platforms, such as Prime Revenue and POLARIS, are cited among the main Process Improvement initiatives.

With regard to Facility and General Services, we report the continuation of activities to revise processes - with a view to energy efficiency and digital transformation - and to refurbish office space aimed at providing fluid workstations.

With reference to green mobility, as part of the Group's broader sustainability strategy, a new home-work commuter plan to reduce CO_2 emissions is being implemented; in this regard, we highlight the various alternative mobility agreements put in place in Milan and Rome, which have been made available to the company population via their publication on the corporate portal and through the promotion of a dedicated information campaign. This plan also envisages the launch of a portal to monitor the CO_2 emissions of all company cars due to be delivered in 2023 based on their consumption. In this regard, we note the creation and adoption of a renewed long-term rental car list that includes low-emissions vehicles (electric/hybrid/plug-in hybrids). Finally, procedures are underway to file an application with the appointed GSE body to obtain white certificates, given the energy efficiency of the new green car fleet.

In the area of access control, the integrated system was also implemented at the Rome Magliana and Rome Vannina offices to allow employees to use Yubikeys as unique user identity devices for both digital (PC/web/application) and physical (access points, printer and locker authentication) access to computers, networks and online services.

With a view to energy efficiency and decarbonization, work continued on revising energy acquisition processes, guaranteeing origin from renewable sources, and on monitoring and optimizing energy consumption. Regarding these acquisitions, the newly signed corporate contracts provide for an energy portfolio based on the strategy of risk differentiation, with continuous monitoring of costs and the sourcing of the raw material directly from the energy market. This efficiency action took place mainly as follows:

guarantee of origin from renewable sources, consumption monitoring, relamping and regulation of thermal consumption.

Regarding green mobility, as part of the Group's broader sustainability strategy, the new home-to-work travel plan aimed at reducing CO_2 emissions has entered the implementation phase. The activation of a CO_2 emission monitoring portal based on relative fuel consumption for all upcoming delivery company cars is also confirmed. In this regard, also for next year, it is planned to adopt a new car list for long-term rentals, including low-emission vehicles (electric/hybrid/plug-in hybrids) and to initiate a procedure for obtaining white certificates, at the responsible body GSE.

10. Organization & Quality

ORGANIZATION

H1 2022 saw the appointment of Alessandro Bernini (former Group CFO) as Chief Executive Officer and Chief Operating Officer of the Parent Company, Chief Executive Officer of the subsidiaries Tecnimont, KT, and NextChem, and Chairperson of the Supervisory Board of the Dutch subsidiary Stamicarbon.

We note that this appointment has given significant further impetus to the path of defining and introducing organizational action and digital solutions to consolidate the Group's leadership in the field of energy transformation. It supports the corporate strategy of sustainability and the path of digitalization and optimization of processes, while also maximizing the productivity, effectiveness and operational efficiency of projects, including by capitalization of related expertise and enhancing possible synergies between Functions.

In consideration of and in response to the complexity of and changes in the global macroeconomic environment, the parent company's coordination and strategic guidance structure was also further strengthened, consolidating its role in monitoring and supporting the business and projects in terms of providing specialized services and staff. In line with the Group's evolutionary model, consolidation in the integrated management of commercial and operational activities was promoted by establishing ad hoc Functions also in the main subsidiaries. This was designed to help achieve commercial targets and operational results and to optimize the related performance by ensuring ever more effective business and project support, including within the individual entities.

As regards the parent company, we highlight the following major organizational initiatives, in addition to the appointments of the new Group Chief Financial Officer and the new Head of Group Finance Function:

- assignment of risk management coordination activities to the Department dedicated to Region Coordination, consequently renamed Group Risk, Special Initiatives and Regions Coordination, to ensure even greater integration of risk/opportunity management and to enhance its synergy with the Group's regional model
- creation of the Corporate and Business Strategy Department, to strengthen strategic and business integration at the parent company level
- establishment of i) Group Research & Innovation Development to foster an integrated and coordinated Group-wide view of research and development; ii) Group Projects Excellence, to optimize and develop project operational synergies for the benefit of an increasingly effective and efficient approach; and iii) Group Technology Management & Licensing Strategy, to define a Group strategy on Technology, Licensing and Intellectual Property protection and its management, optimization and monitoring
- extension of the competencies of Group Human Resources, ICT, Organization & Procurement (formerly Human Resources, ICT and Process Excellence), to improve coordination of procurement activities and optimize and reduce supply costs, enhance in-country value in the Regions, and strengthen category management and supplier contract management.

We also note the formalization of a new organizational structure for the Group’s Corporate Affairs, Governance & Compliance Department, which comprises three areas dedicated to overseeing activities concerning i) Compliance, Privacy and Business Integrity, ii) Corporate Affairs and Governance, and iii) Corporate Business Support and Structure Management.

In view of the evolution of the company's strategies for approaching new markets, and as part of the ongoing regionalization process to ensure increasingly effective local commercial safeguards through greater geographic diversification, the strengthening of in-country value and local content and, finally, the optimization of the cost structure, new Regions have been established to add to the existing ones, and the relevant Region Vice Presidents have been appointed (15 to date), as have oversight figures for some specific areas.

The integrated model for innovation governance was also formalized through the establishment, at parent company level, of: i) a Strategic Innovation Committee, to support the assessment of opportunities and decisions with significant value and Group impact in technological innovation and business transformation through digital innovation and work processes; ii) a Technological Innovation Operations Committee, an advisory body that serves the Maire Tecnimont Innovation Board on issues of Technological Innovation, which connects the R&D activities of all Group subsidiaries, monitors the evolution of innovation initiatives and ensures the mutual exchange of expertise. Finally, operational working groups were set up at the main subsidiaries to facilitate the implementation of the objectives and priorities related to the new technologies/opportunities identified, considering the technological, economic and financial aspects for subsequent evaluation by the Innovative Technology Committee.

For the other subsidiaries, on the other hand, and with particular reference to the NextChem Group companies, as regards organizational initiatives targeted at supporting the energy transition path and the corporate sustainability strategy, the following should be noted:

- formalization of the organizational structure of the Chief Technology Innovation Officer's Department. This consists of the Core Functions Research & Development, Technology Scouting, Technology Development and Innovation Management & Open Innovation, and is responsible for managing the innovation and technology transfer process, identifying new technologies and opportunities for the company and the Group, implementing the executive strategy for assigned research projects and initiatives, in addition to R&D activities for the NextChem Group, with reference to the technologies of interest

- establishment of the Departments: i) Hydrogen, Circular Economy and Bio-Based Solutions which, together with the newly established Integrated Decarbonization Solutions Function, is responsible for contributing to the development of business related to the technologies of expertise in the Group's energy transition, planning and coordinating related activities. It is also tasked with monitoring emerging technologies and developing possible partnerships and alliances with a view to co-development and ii) Strategy and Business Innovation, to support the development of the company's strategy in the area of energy transition, and to identify, propose and monitor Business innovation initiatives.

Finally of note are the creation of the Corporate Development Function, as a key interface for the parent company and the NextChem Functions, to support green initiatives by implementing a project development approach, and the closure of the Department headed by the Chief Operating Officer.

With reference to the company MyRechemical, a NextChem subsidiary, we highlight the overall revision of the organizational structure, in relation to and in support of the changes in operational activities and the development of projects in the national sphere, with the creation, among others, of the following Functions: (i) Operations & Maintenance, to plan, manage and monitor the operations and maintenance activities of facilities in the waste-to-chemical sphere; (ii) Permitting & Public Funding, to ensure the monitoring of the legislation of the same name and the analysis of opportunities to access public incentives to support company projects; and (iii) Process & Technology, to develop Process Design activities during the bidding and project phases and ensure constant oversight of technologies of interest.

As regards the subsidiary Tecnimont, we note the following: (i) the creation within the newly established Commercial & Operations Department of Projects Execution, to ensure the integrated management of EPC and Revamping projects and (ii) the revision of the organizational structure of the Departments a) Construction & Subcontracting, ensuring even greater effectiveness in the management of site activities, home office, construction cost estimating, and management of activities at the bidding stage, and b) Engineering, Technology and Services Projects, with the integration of engineering services project management activities and the amalgamation of interrelated engineering activities.

As regards the subsidiary KT Kinetics Technology, we note the creation of the Project Control Operations Function - as part of the Project Control Department - which is responsible for ensuring the direction, coordination and management of related operational activities, in accordance with Group guidelines and best practices.

As regards organizational initiatives targeted specifically at supporting the company's digitalization strategy, we highlight the following:

- the establishment of the ICT & Facility Services Function within KT, comprising Digital Delivery, Infrastructure Services, and Facility Services groups;

- the establishment of the Digital Services & Business Development Function within MST to develop advanced building and site management services;

- the establishment of the Digital & Business Services Function (within Procurement and Information Technology) at the Indian subsidiary TCMPL, which is responsible for contributing to internal process innovation, to the analysis, execution and monitoring of digital initiatives and selected services for departments and projects, in addition to helping departments to quantify the costs and benefits of digital initiatives.

Also in terms of initiatives designed to support the company's digital transformation, we note the multidisciplinary "Horizon" project. The objective of this project is to adopt a new Control Model (and related tools, based on SAP BPC), to increase Group performance and extend collaboration worldwide, including through communication and change management initiatives dedicated to the relevant corporate population.

In addition, in view of the continuing geo-political tensions caused by the Russia-Ukraine crisis and the repercussions of suspending operations related to it, the governance of the Group's Subsidiary (OOO MT Russia) operating in that area was reviewed and initiatives were introduced to analyze the financial and operational impacts for the management of relations with Russian interlocutors, at all times in compliance with current sanctions.

SYSTEM QUALITY

Again in 2022 the Function supported the activities related to achieving and maintaining certifications, and to updating and maintaining the Group's document system.

In this regard we note that the Group was awarded ISO 9001:2015 and ISO 29001:2020 certification, targeted at strengthening the effectiveness of management, coordination, and monitoring activities at subsidiaries engaged in the activities of: project management, core design, detailed engineering, procurement and supply, construction and installation, commissioning and start-up, operation and maintenance support, consulting services, the execution of turnkey contracts for industrial plants and infrastructure with a primary focus on the chemical, petrochemical, oil & gas, and energy sectors, furnaces, heat recovery units, waste recovery and disposal, technological equipment related to licensed processes, the generation of energy from renewable sources, industrial process development and licensing, economic studies to assess the sustainability of green projects, scientific research into chemical, physical, and scientific fields of application related to industrial development, the assessment of the impact of CO_2 emissions (carbon footprint) generated by new technologies, and the management of general contractor activities. At the date of this report, the following companies fall within the scope of this certification: Maire Tecnimont, Tecnimont, Tecnimont Private Limited, Tecnimont Planung und Industrieanlagenbau GmbH, KT Kinetics Technology, NextChem S.p.A. Achieving this goal also reinforces the ongoing trend of increased uniformity of process management and the significant reduction, on a three-year scale, of expected costs, with a 50% decrease in man-hours for staff engaged in support activities.

The Quality Management System (ISO 9001) compliance certifications were also renewed for the operating companies Stamicarbon B.V., MST S.p.A. and MyReplast Industries S.r.l.

The ISO/IEC 27001 certification of Maire Tecnimont, Tecnimont and KT Kinetics Technology companies was confirmed, and we note the positive outcome of the first ISO/IEC 27001 certification audit of Tecnimont Private Limited. This will be followed by the issue of the related compliance certificate. The current SOA Certifications (Italy) have been retained.

As regards revisions and updates to the document system in line with the Group's operational guidelines, we note the issuance of the Group's Standard Internal Compliance Program. This is designed to regulate the performance of all activities involving Group companies - ensuring they are carried out in compliance with applicable national and international laws and regulations on the control of exports and imports of goods and services - and providing mechanisms for the control of counterparties and personnel involved. The General Terms and Conditions of Purchase (WIG-502) were also revised. The tools for monitoring the progress of supplies were modified and clauses concerning the declarations required for export authorizations were further strengthened, in part due to recent updates to regulations.

This forms part of the ongoing regionalization process, the revision of Group Standard STDGR-1002 “Interactions between Regions and Group companies”, which seeks to enhance In-Country Value strategies from the earliest stages of commercial offerings.

To further consolidate the Segregation of Duties model and strengthen and improve related controls, the Group Standard of the same name was revised.

Group Procedure (PRG-503) was also issued. With a view to the progressive improvement of the purchasing process, this sets out the methodology and responsibilities for assessing supplier performance using objective and comparable elements, defining the criteria that make it possible to extend the validity of the qualification, delivering increased efficiency throughout the entire process.

With a view to business development and enhancing the Group's potential synergies, we note the issuance of the Procedure for the Preparation, and Analysis, of Group Workload (PRG-715) and the consequent adoption of measures to mitigate potential risks or critical issues connected to the need for skills necessary to support the workload.

The Group procedure (PRG-503) for assessing supplier performance in the purchasing process has also been issued. For a positive assessment, suppliers obtain an extension of the qualification validity period, resulting in increased efficiency.

As regards the information security management system, as a further confirmation of the constant attention to and inter-functional collaboration on cyber security, two Group Standards have been issued. The first relates to the maintenance of business continuity in the event of serious ICT incidents (STDGR-302 ICT Business Continuity Management) and the second (STDGR-305) concerns the definition of methodologies and controls targeted at secure software development.

GROUP PROCUREMENT, CATEGORY MANAGEMENT & SUPPLY EXCELLENCE

The year 2022 saw the consolidation of the Function in organizational, procedural, process and systems terms to foster, with reference to the entire EPC cycle, the optimization of business performance in terms of the supply chain, a diversified and synergistic Group approach capable of ensuring an adequate response to the procurement needs of projects and the ongoing geographical diversification, the strengthening of procurement coordination, as well as the definition of a new strategic approach to cope with the expected growth in volume of activities and, more generally, the complexities of the geo-political and economic environment. In fact, the establishment of the Group Procurement Function aims to standardize and unify processes at Group level, and harmonize Category Management initiatives - for materials and services - and their management.

The Function has also been further strengthened in the area of post order, in terms of increasing homogenization and standardization of processes, procedures and reporting and operational systems, also equipping itself with IT solutions to support the process and related reporting, with attention to the specifics of the different Group companies.

A new Group Function "Should Cost Analysis" was also created to analyze the cost of technical project materials to support project procurement, purchasing department and Group Category Management. This function also prepared metrics and measurement tools (KPIs) to assess Group performance on material procurement cycles and measure the economic benefits brought by the aforementioned cost analyses used during the negotiation phases with suppliers.

Regarding, in particular, the area of Category Management, we highlight, within the Group's ongoing digitization process, the implementation path of the dedicated module that, thanks to interdepartmental and interdisciplinary collaboration, allows predictive analyses on future purchases according to supply families and types of projects typical of the Group, generating category plans and initiatives for Countries/Regions with strategic value, enhancing and promoting the interdisciplinary approach for the management of rapidly developing and highly complex dynamics.

In continuity with previous years, the strong cross-functional Engineering - supply chain collaboration continued in the Category Management team; finally, we highlight the preparation of a standard methodology for the development of the economics resulting from Category Management. New digital solutions were also released for the management of (i) electrical and instrument cables in the Dynamics solution and (ii) the Vendor Document List and related reporting.

As part of the Group's regionalization strategy, the "In-Country Value" project continued, with the "Maire Tecnimont UP - In Support of SME's," to support the growth of strategic suppliers, within the Italian corporate supply chain, 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.

On the Sustainability strategy, the company participated in the cross-functional task force dedicated to the Group-wide CO2 emissions reduction program, ensuring an expert contribution in terms of emissions related to the production of project materials, packaging and, finally, related logistics. We highlight the outreach campaign to a panel of key suppliers of materials and services, proposing to activate the completion of relevant forms within their qualification cycle on the SupplHi platform. A proof of concept was also initiated - as part of the soon-to-be-activated Supply Chain Sustainability program and involving about 20 Italian suppliers - to make possible the actual measurement of CO2 emissions from production facilities and the mapping of emission reduction initiatives, with the support of a dedicated platform.

The strategy of diversifying the transportation and logistics services, involving multiple providers of the same service even within the same project, to mitigate potential risks in terms of costs and service levels, was confirmed as the correct policy.

In continuity with previous years, activities related to the optimization of corporate services aimed at limiting the impacts attributable to the contingent market context and its development, to date impacted by strong inflationary trends, have also continued, in close collaboration with the corporate functions involved, by closely monitoring the supply chain to identify and take the necessary mitigation actions - related to costs of materials, and services, and supply times - for the definition of supply strategies, coordination with other functions and governance of the activities and initiatives to be undertaken.

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.

Support was also provided to Group Contract & Subcontract Management in defining strategies and supplier relations, in the discussion and evaluation phases of litigation and contractual discussions on supply chain issues.

In the area of Compliance, in accordance with the renewed Group procedure PRG-500, and in full collaboration with the Functions involved from time to time, the activities of supplier master data management, anti-terrorism compliance and sanctions list checks, and the supervision of the qualification process were regularly and systematically carried out.

Finally, the three-year Vendor Performance program - aimed at introducing supplier performance evaluations as part of quality and continuous improvement processes to mitigate potential supply risks and to ensure better visibility into supplier performance at Group level - continued. To support the new processes, the new Group Procedure PRG503 - Vendor Performance Evaluation was issued and Procedure PRG500 was updated, introducing the qualification "by Performance."

11. Industrial relations and security

INDUSTRIAL RELATIONS

During 2022, as far as the national territory is concerned, Management of the Parent Company and its Subsidiaries maintained fruitful and constant dialogue with trade unions (general trade unions and the General Workers' Representative Body (RSU)), with particular reference to the Chemical and Metal-Mechanical Sectors.

The extensive Industrial Relations consultations during the period led to the definition, among others, of an agreement regarding the Engagement and Incentive Policy, for the recognition to workers in the Chemical and Metalmechanical Sectors of bonuses in Flexible Benefits and of a monetary nature, subject to the achievement of jointly defined Profitability and Productivity Indices.

Also of note is the establishment of agreements with Executive Representatives regarding the use of vacation time, attendance management and Supplementary Health Coverage.

The following is noted with regard to the Group's subsidiaries:

- the acceptance by Neosia Renewables of a request made by non-executive personnel to proceed, from the beginning of the year, with transferring the workforce – then subject to the regulations of the Construction Industry national collective bargaining agreements – to the Chemical national collective bargaining agreements, which already apply to more than 1,500 Group employees.

- the investment, given the constant increase in the number of operational areas, by MST in the development of an application (APP) that digitizes and simplifies the process of work shift planning.

Finally, on the international front and, in particular, the Group's Dutch Subsidiary, Stamicarbon BV, Management has initiated round table discussions with trade union representatives for the renewal - soon to be finalized - of some sections of the Collective Labor Agreement (CLA) applied to its employees and having as its object, mainly, the recognition of salary increases and an even more flexible work modulation.

SECURITY

Under the general Group security policies, which recognizes its Human Capital as a fundamental asset, 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-economic conditions of the Group's countries of interest were also constantly monitored, reporting periodically on this to the contacts involved, the Top Management Functions and the heads of the companies concerned, and ensuring adequate security arrangements during missions to countries at risk, commercial and/or operational, by management and operational personnel.

In particular, the Function has promoted, in coordination with the corporate structures involved, constant monitoring of the country situation in the Russian Federation, from the point of view of personnel involved in on-site projects and logistics, as well as the possible effects induced by the restrictions in place, the evolution of the sanctions framework and the gradual worsening of the geo-political situation; it has also activated numerous induction and awareness initiatives for personnel working on construction sites. The Function also actively participated in the task force and interdisciplinary and inter-functional working groups - promptly activated by the Group - to share information and updates on the actions implemented and to coordinate initiatives to manage and mitigate the impacts on operational activities of projects being executed and concluded in the Russian Federation.

With reference to the projects, expert support was also guaranteed, even in the proposal phase, through the analysis of the risk conditions of the Country/geographical area of interest, in order to qualify and quantify the consequent suitable mitigating measures in the security field, also consistent with the client's requirements. Relevant documentation has also been prepared for handling normal activities and any emergencies.

The usual support continued for domestic projects, as part of the journey to complete the implementation of corporate policies related to the organization and management of head offices/operational sites.

The intensive use, including by the Function, of the Compliance Catalyst platform for monitoring and possible disambiguation of entities involved in project execution was also confirmed.

Finally, Cyber Security aspects continued to be the subject of constant attention by the Function, which continued, in close cooperation and with the support of expertise from the relevant Functions, the related analysis activities. The results of this 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 cybercrimes - have made it possible to identify and take preventive action on possible system vulnerabilities. In view of the growing cyber risk related to the evolving Russian-Ukrainian crisis, the Function has cooperated, to the extent of its competence, with working groups dedicated to the management of related activities, for the further strengthening of connectivity monitoring actions and consolidation of behavioral awareness.

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.

Individual safety and protection are 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.

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.

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.

With the centrality of our employees regarded as a strategic resource, training is considered essential to creating value for all our stakeholders and to constantly develop 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 4 million hours have been dedicated to HSE & Social accountability training courses. The ratio of HSE & Social Accountability training hours to hours worked on construction sites was 3.13% in 2020, 2.98% in 2021 and 2.68% in 2022. The fluctuations seen related to the cyclical nature of the training campaigns conducted over the years and the reduction in hours worked in 2022.

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 7.3 hours in 2020, 11.6 hours in 2021 and 15.1 hours in 2022. The significant increase in 2022, in terms of hours per employee, reflects the Group's ongoing commitments to HSE & Social Accountability training and awareness activities.

The numbers are significant and indicative not only of the adoption of proper methodologies and great commitment but also the awareness and engagement of all those who take part in our activities.

Therefore, our goal is to go beyond a standard of mere compliance and to go deeper. Not only, therefore, considering technique and knowledge, but also cultural-value systems. Therefore, 'humanizing' to reach people on a deeper level through awareness initiatives, but not only. For us, humanizing also means addressing not only technicians but also personnel from all disciplinary areas and hierarchical ranks: for Maire Tecnimont Group, *HSE belongs to everyone*.

Our Safethink HSE Awareness Program is based on these objectives, which was created in 2018 with the aim of defining a new approach to HSE culture through a general empowerment of HSE awareness in the Maire Tecnimont Group. The Program breaks down into a series of initiatives, all focused on this singular objective, applying a multi-stakeholder approach. An initial step was the creation of a brand and communication campaign that could best represent our safety identity and culture: Safethink. A distinctive aspect is the creation of our "Safethink Rules for Life", a selection of safety rules of paramount importance in preventing injuries. The program garnered great participation right from the start, not stopping even in the face of the pandemic, launching its spin-off "Safethinkcovid-19." Having already achieved the challenging goal of a new HSE identity in the early years, we decided to strengthen the program through new initiatives.

As a testimony to the great work and commitment, the recognition obtained in July 2022 from Unindustria, which awarded our Safethink Program among the best projects in the field of HSE culture by ranking it second in the "Large Enterprises" category of the first edition of the Unindustria Occupational Health and Safety Award.

HEADQUARTERS PERFORMANCE

The EPC (Hydrocarbons) business unit, at Group headquarters, worked a total of over 23.9 million hours in the last three years. Including branches, the hours worked were 7,993,042 in 2020, 7,688,047 in 2021 and 8,238,958 in 2022.

Recorded injuries are zero in 2020 and 2021 and one in 2022 (with 15 days lost). Thus, the Lost Time Injury Rate (LTIR) indicator, according to OHSA, was 0 for the years 2020 and 2021 and 0.024 for 2022. The same trend was seen for the Total Recordable Injury Rate indicator, according to the OHSA.

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 3 in 2020, 5 in 2021 and 6 in 2022.

For MST over the past three years, the hours worked were 128,828: 34.26 in 2020, 50,111 in 2021 and 44,456 in 2022. Thus, the Lost Time Injury Rate (LTIR) indicator, according to OHSA, was 5.83 in 2020 and 0 for the years 2021 and 2022. The same trend was seen for the Total Recordable Injury Rate indicator, according to the OHSA. There were no injuries in the home-work commute during the reporting period.

The Green Energy business worked a total of over 1.3 million office hours in the last three years. In particular, office working hours numbered 322,581 in 2020, 474,706 in 2021 and 540,543 in 2022.

In the three-year reporting period, the number of recorded accidents was zero. The Lost time Injury Rate (LTIR) indicator, according to OHSA, stands at 0 for the reporting period. The Total Recordable Injury Rate indicator, according to OHSA, stands at 0 for 2020 and 2021 and 0.37 for 2022.

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 Group numbered over 140 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			
	2020	2021	2022
Site hours worked (employees+subcontractors) - mln	38.7	53	48.6
Lost time injury rate - LTIR[1]	0	0.038	0.061
Total recordable injury rate - TRIR [2]	0.077	0.245	0.309

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 2022 are not yet available (as the benchmark figures will be published in Q2 2023) and the Group will therefore maintain the same 2021 benchmark figures also for 2022.

By their nature, events classifiable in the LTI category have very low frequencies of occurrence, therefore, to statistically understand their trend over time, it is necessary to embrace a much longer observation period than a single year; to this end, the IOGP, whose statistical elaborations are used by us as an industry benchmark in the HSE field, has adopted the 5-year rolling formula for the LTIR indicator, and our organization has also made a similar elaboration.

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, and the five-year trend remains in line with the previous.

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 2022, if the same reference data are kept as in 2021, the LTIR indicator is approx. 2.5 times lower than the benchmark, while the TRIR is 2 times lower than the benchmark.

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 one million. 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 one million. The TRIR indicator considers: fatal accidents, injuries with lost work days, events limiting working activity, events requiring medical care.

For MST S.p.A. over the past three years, the hours worked totaled approx. 0.56 million. Site hours worked (employees at sites + sub-contractors) numbered 77,835 in 2020, over 151,150 in 2021 and over 332,476 in 2022.

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[3] was 0 in 2020, 26.46 in 2021 and 15.04 in 2022;
- The Injury Severity Index[4] was 1.465 in 2020, 0.457 in 2021 and 1.071 in 2022.

The MyReplast plant realizes the upcycling of plastic waste: through mechanical recycling and compounding, recycled polymers of high quality and application performance are obtained, capable of replacing virgin plastics in many industries. The plant recorded no injuries in 2022, while in 2021 recording two injuries (with 40 lost working days). In 2022, the plant worked a total of 66,535 hours.

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 2022 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

The main driver of innovation is understanding the unrealized desires of the end market, translating these expectations into combinations of technological solutions that are more effective in terms of performance, cost and environmental sustainability. In recent years, the Maire Tecnimont Group has been increasingly involved in the engineering and development of more sustainably aligned processes. Through the innovation process, the Maire Tecnimont Group aims to create distinctive processes that enable it to make a significant impact on the reduction of GHG emissions from hard-to-abate industries and move into the production of new materials and products, from biofuels to biopolymers, circular molecules and sustainable fertilizers, thus opening up the possibility of increasingly shifting profitability and earnings to these segments.

To date, the Maire Tecnimont Group has set itself apart as an integrator of excellence in the petrochemical and fertilizer sectors, with a major role in innovation as an EPC contractor. Today, the goal is to also become a leading global Technology Provider in creating decarbonized processes.

Leveraging an awareness of the importance of combining different skills within a single entity operating in an integrated approach, the Maire Tecnimont Group has embarked on a path of transformation that can consolidate and strengthen its leadership in green chemistry and energy transition, as well as enable the Group to maintain a leadership position in the hydrocarbon industry, which is also undergoing reorganization and change.

Through the identification of two hemispheres, one operating on the development of sustainable technology solutions and the other operating on the implementation of integrated EPC solutions, interconnected through the project development phase, the Group is able to fully cover the value chain starting from the development and sale of licenses based on proprietary technology solutions to the supply of the turnkey plant.

In this context, innovation plays a primary and subservient role for the Group in its transformation journey. In complete liaison with the Business Development function, which is our interface with the market, the Group relies on the Technology Development function that supports the identification of all market opportunities, and a cross-departmental R&D organization that operates in terms of global scouting of technologies that are already present but still at an embryonic level, to identify innovative projects that can be supported through acquisitions, investments, and partnerships. It is therefore crucial for the Group to implement the concept of open innovation, understood as openness to the world, to develop new technologies with other partners, such as start-ups, universities and Research Centers. This is being

3 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.

4 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.

undertaken with a view to outlining a pathway in which NextChem's role is elevated from participant to coordinator and developer, with the ultimate goal of achieving ownership of the technology.

In terms of market opportunities, the Group has identified 4 strategic clusters: (i) sustainable fertilizers, (ii) sustainable hydrogen and circular economy, (iii) sustainable fuels and chemicals, and (iv) sustainable polymers. The innovation structure is therefore aimed at developing specific horizontal technology platforms that meet vertical market opportunities, thereby enabling the development of distinctive and proprietary processes. We talk about the development of electrochemistry (reactions that allow the reduction of CO2 to carbon monoxide and valorization into a reactive gas that enables the production of carbon neutral or low carbon products), CO2 mineralization, production of hydrogen with reduced/no carbon footprint, and new technologies (pyrolysis, depolymerization) to enable the recycling of waste material that cannot be mechanically recycled. This is in addition to that already undertaken by MyReplast Industries in the Upcycling of post-consumer plastic waste.

Realizing that the development of proprietary technologies can only leverage the validation of the technology, the Group's innovation structure has a specific function operating in terms of the creation and management of prototype units that represent the meeting point between the research and development phase and the technology development phase. Over the past 15 years, the Maire Tecnimont Group has designed and implemented a significant number of pilot units with the aim of validating the technologies being innovated at increasingly advanced levels of technological maturity, thus pursuing the goal of moving from development at the "proof of concept" level to validation of the technological system in an operational environment.

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.

Maire Tecnimont has invested approx. Euro 38 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.

At the end of 2022, the Maire Tecnimont Group has a portfolio of over 1,850 patents, mainly in the urea and fertilizer sectors.

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.

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.

Number of Innovation Projects	85
Number of technology development partnerships	30
Number of Innovation Centers	4
People involved in Research, Development and Innovation	72(*)

(*) as full-time equivalents - FTEs

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.

Maire Tecnimont continued in 2022 to invest in its digital transformation, which proves to be a strategic lever both for improving its internal processes and a key element in support of its sustainability strategy.

In fact, since 2015, the Group has been on a digital transformation path that has incrementally enabled it to create solutions with impact on the entire plant chain, from their implementation (through the portfolio of solutions called "EPC Suite") to their Operations phase (NextPlant).

The digital portfolio to date has more than 120 cross EPC solutions of which 87 are live used on projects. The EPC Suite contributes to the Group's identified priority sustainability goals.

The NextPlant digital platform aims to enable the reduction of energy consumption especially for plants licensed by the Group's various companies by trying to meet market expectations, that is, to reduce the operating costs of industrial plants.

During 2022, we continued with the development of some sections of NextPlant in order to strengthen the Group's position as a licensor in terms of services offered to external customers, with a view to continuous improvement from the design phase to the operation phase, with a particular focus on the following areas: PROCESS OPTIMIZATION, IMMERSIVE TRAINING, HSE MONITORING.

The Process Digital Twin is commonly defined as an accurate model of a process plant that, by incorporating the licensor's know-how, is able to provide a continuous view of plant performance: process data is captured from the plant to feed a digital replica of the plant's processes to unlock operational excellence through increased productivity and energy consumption savings resulting in a reduction in the plant's carbon footprint.

The Digital Process Monitor (DPM) developed by Stamicarbon (Maire Tecnimont Group's licensing company) was initially launched and marketed as a digital process twin for urea plants licensed by Stamicarbon. Leveraging collaboration among Group companies and to facilitate knowledge transfer, a prototyping project was initiated in 2021 with the goal of implementing the dual Digital Process Monitor for hydrogen production units (HPUs) and sulfur recovery units (SRUs) licensed by Kinetics Technology (a licensing company of the Maire Tecnimont Group).

The DPM based on the distinctive know-how of Stamicarbon and KT, when fed with data taken in real time from the plant and properly validated (to ensure good quality model feed data) and reconciled (to ensure that all mass balances/process constraints are met), provides a continuous view of plant performance and produces soft sensors and KPIs that can be used by plant operators to optimize plant performance and energy efficiency by reducing plant OPEX, including through remote assistance from Stamicarbon and KT specialists.

The metaverse can be defined as a combination of virtual and mixed reality-based worlds, accessible with a browser or visor, which allow people to have interactions and experiences in a virtual environment with a level of accuracy very similar to what would occur in the real world.

The metaverse concept can be applied to industrial plants to improve the conventional approach to training by simulating real processes and situations and providing guidance on how best to handle them, thus eliminating the risks of field training and the resulting risks of fatal accidents to people or damage to the environment in the event of human error during plant operations.

Leveraging collaboration among Group companies and to facilitate knowledge transfer, a prototyping project was started in 2022 with the aim of building the Immersive Training Simulator (ITS) for a selected part of the urea plants licensed by Stamicarbon (Maire Tecnimont Group's licensing company).

Industrial plant owners train control room operators using the traditional Operator Training Simulator (OTS), which represents the state of the art in process simulation and is typically part of the licensors' portfolio. Currently, industrial plant owners are increasingly requesting to develop Virtual Reality (VR)-based training scenarios to effectively train field operators in coordination with control room operators.

Thus, ITS, as a combination of conventional OTS with immersive navigation in the 3D model of the plant using VR and gaming techniques, enables personnel to be trained in advance of the physical realization of the plant and allows startup/shutdown as well as' the various operational states of the plant to be managed in a fully immersive 3D environment with realistic interaction between the control room and field operators strongly adhering to what would happen in reality.

Bottom line:

- ITS is the tool to create new job opportunities and to ensure adequate and rapid retraining of control room and field operators, also in view of the retirement of experienced staff and high turnover of experienced teams.

- ITS offers real safety benefits by creating the ideal scenario to safely test any disruptive, even potentially dangerous, plant setup without creating any real risk to humans and the environment.

Change, environment, climate, future, sustainability, new humanism are some of the most recurring keywords, which increasingly take on concrete, tangible, real meaning in a changing socio-economic context where change is increasingly discontinuous and difficult to manage. In this uncertain situation, each public or private entity is called upon to make its own important contribution through the identification of new responsible business models, new approaches to investment, new processes for technological development, and the identification of new value chains.

It is evident how the key element in addressing this profound transformation is precisely to espouse the paradigm of Sustainable Open Innovation, that is, the correct combination of innovation (product, service or process) and sustainability, in order to develop, through innovative technologies, new sustainable solutions that are in line with the SDGs. Open Innovation aims to challenge the status quo and adapt companies to a rapidly changing world. The definition of an Open Innovation management strategy then becomes a critical success factor, as does its implementation process, which depends on its alignment with the corporate Vision, generating acceptance of the process first at management level and then at the broader corporate culture level.

In a scenario in which innovation becomes a critical success factor, the adoption of open collaboration systems with different players enables the pooling of resources and expertise that can develop new solutions.

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 2021, and started new strategic collaborations always with a view to enabling the Open Green Innovation model.

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 2022 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, 2022 was Euro 8,614 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, 2022, approx. 64% of Group consolidated revenues related to 10 major contracts, corresponding at the same date to approx. 50% 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. In relation to the concentration of the value of the Backlog by Region, please refer to the specific section "Backlog by BU and Region", which illustrates that the highest concentration was in the Middle East, while volumes in non-EU Europe dissipated. This essentially concerned Russia, for which in the third quarter of 2022, also as a result of the additional sanctions against the Russian Federation, it was almost impossible to continue operations even on those projects previously suspended. As a result, the residual value of related projects was removed from the Backlog. 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 and also specific contractual termination/cancellation clauses that provide for adequate reimbursements upon the occurrence of such circumstances. In 2022, further steps in the governance strengthening process led to the adoption of the Maire Tecnimont Group Business Integrity Policy by all direct and indirect Maire Tecnimont subsidiaries, with the aim of consolidating and rationalizing the anti-corruption principles already outlined in the Group's Internal Control and Risk Management System.

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. The continuous evolution of digital services offered and the exponential growth of the amount of data processed inevitably contributes to an increase in the number and type of cybersecurity risks to which a company is exposed, with economic, operational, regulatory and reputational consequences. The ability to prevent, monitor and detect an incident is a key security measure with the purpose of protecting resources from unwanted access, ensuring the integrity of information, and ensuring the operation and availability of services. Appropriate configuration and management of the threat detection and prevention system are key measures for preventing security incidents by decreasing their likelihood of occurrence, or limiting their impacts through a prompt and effective containment response, which is why commitment to security continues to be a priority for the Maire Tecnimont Group.

To respond adequately and quickly to current cyber threats, the Group has adopted the following safeguards to address the above risk:

- defined the Cyber Fusion Center, as a natural evolution of the Security Operation Center (SOC), consisting of people, processes and technologies that is characterized by the capabilities of monitoring and managing activities related to IT infrastructure security (e.g., network, systems and applications), as well as proactive security capabilities aimed at improving the level of protection of the organization by combining all functions of Cyber Security, Threat Intelligence, Security orchestration, Security automation, Incident response, Threat response and other solutions/services into a single collaborative unit. The implementation of the Cyber Fusion Center has enabled the Group to adopt a collective and automated defense approach in dealing with common and advanced threats, allowing Security/Infrastructure/Networking teams to collaborate on a single integrated and modular system to further improve decision making in incident response;
- as part of a plan to respond to threats generated by the Russian-Ukrainian conflict, strengthened its partnership with the Leonardo Group, receiving targeted and timely communications on geopolitical issues from their Intelligence Operation Center (IOC), and in parallel activated a new Cyber Threat Intelligence service dedicated to all Group companies;
- undertook Cybersecurity Assessments and a Penetration Test on Office 365 environments, Azure Cloud, and on all machines in all AD Forest domains by the Microsoft Dart Team and over 99% of the units (servers and workstations) are properly configured and aligned with Microsoft's security best practices;
- initiated a specific project to standardize the degree of security and confidentiality of project documents throughout their lifecycle, in the area of data protection (Information protection & Data loss prevention); in addition, advanced data protection policies have been defined to increase even more security and confidentiality in the exchange of documents with external partners;
- further extended and enhanced technologies such as Multifactors Authentication, Single Sign On, Passwordless authentication and secure web browsing/access through best in Class solutions (Zscaler, Microsoft, BeyondTrust, etc.);
- for all data on company installations, proceeded to perform specific encryption of the same, using MS Bitlocker and used automatisms for the distribution of security patches, both with regard to operating systems and applications;
- adopted Zero Trust principles by granting access with minimal privilege based on verification of who is requesting access, the context of the request, and the risk of the access environment;
- implemented Yubikey-based passwordless solutions for the physical authentication of users to personal PCs and cloud resources via FIDO2 protocol, as well as MFA authentication factors via cell phone, which has made it possible to decrease the risk of cyber fraud from digital identity substitutions and further raise the level of security and fraud prevention policies;
- implemented Cisco Meraki networking solutions and Fortinet Next Generation Firewall for communication 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. The solution released in the Milan office, starting in January 2021, was then deployed in the Group's other Italian offices;
- implemented a new Managed Detection & Response Service delivered by Crowdstrike with the Falcon Complete EDR solution to identify, respond to and restore a threat on endpoints;
- implemented a new NDR solution to identify and block evasive network threats that could not be easily blocked using known attack patterns or signatures. NDR technology, also called network traffic analysis (NTA), uses machine learning and behavioral analysis to monitor network traffic and develop a baseline of activity. Therefore it uncovers anomalous activity associated with malware, targeted attacks, insider abuse, and risky behavior, this new feature allows it to recognize unusual traffic attributable to Command and Control C2C, Lateral movement, Exfiltration, and Malware activity;
- implemented, as part of the protection of services/portals and in order to protect any exposed surfaces, Akamai's Web Application Firewall service in order to prevent and block web-borne attacks;

- initiated, with the use of the Bitsight platform, continuous monitoring of the Group's cybersecurity program and cyber risk based on evidence, continuous measurement of the effectiveness of security controls, correction of vulnerabilities and mis-configuration;
- introduced a breach and attack simulation solution (BAS), based on Picus, which supports the Group in measuring and strengthening cyber resilience by automatically and continuously testing the effectiveness of the Group's prevention and detection tools.

In addition, periodic cybersecurity assessment continues in line with ISO 27001 guidelines,- Internal simulated phishing campaigns using various technologies (instant messaging, e-mail, paper documents) to identify at-risk user groups and reveal training needs,- IT and behavioral security training and awareness program, extended and targeted toward employees,- Early notifications to all Group employees as soon as the dedicated threat team identifies new phishing campaigns, potential fraud attacks, or new system vulnerabilities,- Integrated centralized payments, managed directly from headquarters, and advanced security policies to manage banking details within the entire value chain.

CLIMATE CHANGE RISK

In relation to "climate change" the Group is potentially exposed to several types of risks such as: (i) the impact of more restrictive laws and regulations on energy efficiency and climate change that may lead to increased operating costs and, consequently, a reduction in the overall investments made by the Group's clients in the relevant sectors; (ii) the impact of customer awareness and sensitivity to climate change and emissions reduction, resulting in a shift to low-carbon products; and (iii) the impact related mainly to greenhouse gases, the cause of global warming and extreme weather events in various geographical areas.

It should be noted, however, that evolving awareness of "climate change" issues are already generating significant new business opportunities for the Group in the growing market for low-carbon products and services. The Group's expertise in developing sustainable solutions for its clients and its ability to respond with innovative technological and executive proposals to the increasingly stringent constraints imposed by environmental regulations represent, above all, clear competitive advantages. In fact, the number of clients and end users demanding increasingly sustainable solutions and technologies based on renewable energy or alternative fuels to fossil fuels is consistently on the rise. The Maire Tecnimont Group is also strongly committed to the circular economy for the recovery and reuse with proprietary technologies of that already in the ecosystem in the form of plastics or waste, and therefore has the means and expertise to manage the potential growth in demand, especially through its subsidiary NextChem S.p.A., a Group company dedicated to energy transition. NextChem's know-how with respect to "green" technologies has been strengthened with the entry of several specialists, with innovative technological propositions developed internally or otherwise available to the Group, through cooperation and development agreements with leading domestic and international partners. 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. Similarly, the ability of all Group companies is expanding to offer lower-carbon technological, process and construction solutions, even in traditional lines of business. The design, building and management of the sites is subject to several work streams to reduce energy intensity per unit of product and limit emissions to the atmosphere.

For further details on the topic of climate change effects and how they are managed, including the environmental policies adopted, please refer to the Non-Financial Statement available on the website www.mairetecnimont.com ("Investors" - "Results and Presentations" - "Sustainability Reports" section).

15. Financial risk management

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

MARKET RISK

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.

PRICE AND CASH FLOW RISK

Group results may be impacted by raw material, finished product, transport 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 Group is closely monitoring the supply chain in order to identify and take action to mitigate potential impacts in terms of the cost of materials and services and of procurement times as a result of developments in the war in Ukraine. Furthermore, given the extreme unpredictability of this situation and its impact on contracts, we are already adapting our execution strategies and have begun discussions with our clients and with the entire supply chain in order to negotiate mechanisms for managing and sharing the risk and for mitigating the impact on ongoing contracts.

CURRENCY RISK

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; 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.

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).

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).

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.

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, 2022 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, 2022 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).

In addition to the assessments of the collectability of receivables and in accordance with IFRS 9 concerning impairment models, the Group estimated losses on receivables using the expected loss model based on supporting information available without undue effort or burden, which includes actual data and forecasts and was essentially obtained from information providers that, when quantifying expected losses at the closure date, incorporate the effects of the Russia-Ukraine war.

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.

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, 2022 amount to Euro 762,463 thousand, an increase of Euro 85,363 thousand compared to December 31, 2021 and improving steadily over the last few quarters; the availability of liquidity ensures financial equilibrium in the short term.

Operating cash flow in the year generated Euro 275,778 thousand (Euro 196,499 thousand in 2021), which has been steadily improving, driven by earnings and changes in working capital, which has generated cash from the major projects in progress.

The Group also believes that the impact of the suspension and/or cancellation of projects in Russia will not have a significant overall financial impact and that, thanks to the acquisition of major new projects in 2022 and those expected in 2023, will be able to maintain good levels of liquidity.

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, 2022, broken down by type, distinguishing between amounts granted and used:

Lines of credit granted to and used by the Group at December 31, 2022			
Description	Amt. Granted (€)	Amt. Used (€)	Amt. available
Account overdraft facilities, revolving facilities and lines of credit	274,335,868	122,032,528	152,303,340
Advances on invoices - Factoring	5,000,000	1,664,719	3,335,281
Euro Commercial Paper	150,000,000	2,500,000	147,500,000
M/L loans - Bonds	621,561,995	621,561,995	-
Total	**1,050,897,863**	**747,759,242**	**303,138,621**

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 Contract therefore has a duration of 5 years, with repayment beginning June 2020 and final instalment due on June 30, 2023. During 2022, repayments were made for a total principal amount of Euro 65 million. At December 31, 2022, a liability of about Euro 65 million remains, entirely classified as short term as due by June 30, 2023;

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 2022 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 originally was divided in two tranches (Euro 7.5 million repaid in 2022 and Euro 55 million maturity in 2024) with an average duration of approx. 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 2022 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 2022 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 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.

During 2022, repayments were made for a total principal amount of Euro 45.6 million. At December 31, 2022, a debt remains of approx. Euro 228.5 million classified beyond 12 months and approx. Euro 92.3 million classified as short-term of which approx. Euro 22.8 million nominal, repayable quarterly until December 31, 2023.

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 2022 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 2022 figures, have been complied with according to the results currently available.

<u>RISKS CONCERNING THE GROUP CAPACITY TO OBTAIN AND RETAIN GUARANTEED CREDIT LINES AND BANK GUARANTEES</u>

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, the Group 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, 2022 according to currently available information is presented below.

<u>CIVIL, ADMINISTRATIVE AND ARBITRATION PROCEEDINGS</u>

<u>Municipality of Venice – Manifattura Tabacchi</u>

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. The allocation among the ATI members of the amount paid was concluded by a court settlement on May 5, 2022.

<u>KT – HYL Technologies</u>

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 its work would finish 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 was finalized, the case would return to the local court for ruling.

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 13,000,000 - 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 filed its first brief on February 18, 2022, and Gulf Spic filed its second and final brief on June 17, 2022. Tecnimont filed its second and final brief on October 14, 2022. After a final Gulf Spic closing brief scheduled for November 4, 2022, hearings will be held in February 2023, at which the parties will appear after updating their claims. Gulf Spic has updated its claim as follows: 1) KWD 16,839,252 for prolongation and disruption costs 2) KWD 7,605,805 for idle costs; 3) KWD 3,456,591 for late payments; 4) KWD 24,600 for guarantee costs; 4) dismissal of all counterclaims filed by Tecnimont; 5) award of all legal costs incurred; 5) payment of pre- and post-Award interest; and 6) any other amount determined by the court. Tecnimont has updated its counterclaim as follows: 1) KWD 1,300,000 as the maximum possible amount for contractual liquidated damages; 2) KWD 500,000 for services rendered for the completion of PT01; 3) dismissal of all claims filed by the client; 3) award of all legal costs; and 4) any other amount determined by the court. 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. In 2022, Tecnimont began to present its arguments against the annulment of the award. It is expected that the Delhi High Court will issue a decision by the end of 2023.

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 S.p.A. 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 approx. Euro 81 million. On March 3, 2022, Yara filed its Rejoinder to the claim and its Reply to Tecnimont's Statement of Defense on Counterclaim. In May, June, July and August 2022, Yara filed further updates to its counterclaim, provisionally estimating its claim at between Euro 26,628,220 and Euro 55,014,260. In July and October 2022, Tecnimont filed its Rejoinder (divided into two parts) to Yara's counterclaim. The preliminary hearing - originally set for May 2022 - was held between November 14 and 25, 2022. On January 17, 2023, the parties exchanged their first closing submissions. On February 10, 2023, the parties filed their respective final rejoinders. Further exchanges between the parties are also planned until March 2023 regarding Tecnimont's request to have the final project milestone (Milestone 47) recognized. 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 filed its Rejoinder and Reply to Counterclaim on March 17, 2022. ALJV filed its latest Rejoinder to Counterclaim on May 19, 2022. The hearings were held in July 2022, and the award will not be issued until spring 2023 at the earliest.

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 glycole 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. The hearing for the statement of conclusions was fixed for June 29, 2023.

Total E&P Italia S.p.A.

This is arbitration administered by the International Chamber of Commerce (ICC Case 26154/GR/PAR) between the temporary consortium (ATI) between 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 centre 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 the temporary consortium (ATI). After an attempt to settle the dispute, on March 23, 2021, 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. In an Order dated February 25, 2022, the Court divided the proceedings into two stages. With brief dated April 6, 2022, Tecnimont challenged the above order and Total responded in a brief dated April 11, 2022. On April 11, 2022, the case management conference was held, and by order dated April 22, 2022, the Arbitration Board upheld the decision of the previous order. By order dated May 19, 2022, the Arbitration Board granted the parties deferred deadlines for briefs and respective replies on the issue. Within the period allotted to it, concluding on July 5, 2022, Total filed its defense brief. Tecnimont filed its reply brief on October 26, 2022, which received an answer from Total on December 20, 2022. At present, Tecnimont's deadline to file a further reply brief is pending.

Pending the ICC arbitration proceedings described in the communication dated July 9, 2021, received from Swiss RE International SE, Total requested the payment of the performance guarantee (issued by Swiss RE in the interest of Tecnimont under the EPC contract), in the amount of Euro 51.5 million, equal to the amount of the penalties referred to in the counterclaim made by Total in the arbitration proceedings. In an appeal pursuant to Article 700 of the code of civil procedure, filed on August 3, 2021 before the Court of Milan, Tecnimont instituted emergency precautionary proceedings. By decree dated August 5, 2021, the Court of Milan ordered Swiss Re *inaudita altera parte* (without prior hearing of the other party) not to pay the Guarantee. Following the various defense pleadings and related replies, with the parties having failed to reach the hypothesized settlement agreement, the Court, following on from that preliminarily decided at the hearing on February 23, 2022, issued a definitive order dated March 10, 2022, revoking the injunction previously granted in favor of Tecnimont. In a complaint pursuant to Articles 669-*terdecies* and 737-738 code of civil procedure, filed on March 25, 2022 before the Court of Milan, Tecnimont filed a complaint proceeding against the Revocation Order. Following the filing of defense briefs, the court, following on from that preliminarily decided at the hearing on April 27, 2022, definitively rejected Tecnimont's complaint.

By an application (i.e., "application for interim measures") filed on May 27, 2022, Tecnimont requested in the ICC arbitration proceedings described above, the issuance of a precautionary measure aimed at: (i) temporarily suspending the collection of the Guarantee, and (ii) ordering the transfer of an amount equal to the amount demanded under the Guarantee to an escrow account, to be released following the decision taken by the Arbitration Board at the outcome of the arbitration proceedings and, in the meantime, ordering the suspension of the enforcement of the Guarantee. By order dated May 27, 2022, the Arbitration Board ordered Total to refrain from collecting the Guarantee, assigning a deadline of June 3, 2022 for the filing of reply briefs. By order dated June 8, 2022, the Arbitration Board revoked the aforementioned order based on Total's commitment not to force payment from Swiss Re. Following the exchange of further briefs between the parties, the Arbitration Board, noting Total's commitments to hold the amounts paid under the guarantee in a dedicated bank account until the end of the Arbitration Proceedings and the issuance of a comfort letter by parent company TotalEnergies to guarantee the repayment of the aforementioned amount, rejected Tecnimont's request for precautionary measures.

<u>National Petrolchemical Industrial Company (NatPet)</u>

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 filed their Statement of Defense on April 12, 2022. According to the procedural schedule, a second exchange of briefs between the parties followed between August and November 2022, and hearings will be held between April and May 2023. The award is not expected until the end of 2023.

<u>Rome Metro – Extension of line B1</u>

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 acceptance certificate has also been issued for the additional Conca D'Oro extension. Both sections are in commercial operation. Legal proceedings to recognize the reservations required pursuant to Article 240 continue.

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 December 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 are underway to carry out technical/administrative testing of the contract and hand back some work to local authorities and Anas. On August 4, 2022 the Cefalù 20 Project Company went into liquidation. The proceedings against Rete Ferroviaria Italiana - RFI S.p.A. initiated before the ordinary court continued before the Court of Rome for recognition of the reserves recognized and the higher charges incurred in the execution of the contract. In 2022, the court-ordered technical expert opinion was completed. This explicitly and exclusively attributed to the client as many as eight prolongations of work which resulted in additional contractual deadline deferrals. As regards quantification, we note that Cefalù 20 claims costs incurred from the date of the first contract extension for the execution of the work, and thus seeks full compensation for all costs incurred until the completion of the work. The court-appointed expert expressed the need for documentary support for recognition of 100% of the costs. The Judge was therefore shown the financial data which, based on the financial statements of Cefalù 20 as a special purpose company, attested that at the date originally scheduled for completion of the work it had already spent the entire contractual fee. On November 14, 2022, the court stated that, at the current stage of the proceedings, "the criteria and all the details required for quantification have been provided" and set the hearing for the clarification of conclusions for March 28, 2023.

Punta Catalina

In relation to that communicated on March 14, 2019 - with reference to information about ongoing investigations concerning the project for the construction of the Punta Catalina power plant in Santo Domingo that appeared in the press, the investigation of the Milan Public Prosecutor's Office - triggered by the complaint of the NGO RE:Common - appears to have been discontinued.

LLC EuroChem North-West-2

This is an dispute administered by the International Chamber of Commerce (ICC Case 27195/ELU) between Tecnimont S.p.A. and LLC MT Russia (respectively "TCM" and "MTR") and LLC EuroChem North-West-2 ("ENW2"). It relates to the performance of two contracts (Offshore EP and ONSHORE EPC) and a "Coordination and Interface Agreement" (jointly the "Contracts") signed between the parties on June 1, 2020 for the construction of a 3.000 MTPD Ammonia Plant and a 4,000 MTPD Urea Plant (in addition to related ancillary infrastructure) located in Kingisepp, Leningrad Region (Russian Federation) (the "Project"). The Contracts originally provided for a price (on a Lump-Sum Turn-Key basis) of Euro 393,018,133 and USD 212,390,560 (for the Offshore portion) and USD 430,346,867 (for the Onshore portion), with an expected Project completion date of August 16, 2023. The execution of the Contracts has been significantly affected by several events attributable to the client ENW2, COVID-19 and the geopolitical situation of the Russia-Ukraine crisis and the resulting sanctions measures implemented by various international authorities (including the European Community) against Russian entities and subjects since late February 2022. In the face of the geopolitical crisis which has had a particularly profound impact on the purchase and transportation of equipment and materials needed to carry out the Project, TCM and MTR notified ENW2 in May 2022 that the respective Contracts would be suspended. On August 4, ENW2 served termination notice of the Contracts for alleged non-performance by TCM and MTR, effectively beginning arbitration proceedings to resolve the dispute. On August 15, 2022, TCM and MTR filed a Request for Arbitration with the ICC, in which TCM and MTR requested the constituting court of arbitration to, among other matters, recognize that ENW2's termination of the Contracts should actually be qualified as "convenience" and to order ENW2 to pay the provisional (minimum) amount of Euro 400,000,000 as contract price revision, termination compensation and other damages (including those resulting from ENW2's "repudiation" of the Contracts). On October 17, 2022, ENW2 filed its Answer to the Request and Counterclaim, requesting that TCM and MTR's claims be dismissed and making a counterclaim with a provisional value of approximately Euro 800 million. On December 16, 2022, TCM and MTR filed their Reply to Counterclaim. At the same time, on October 12, 2022, TCM and MTR also filed with the ICC a request for "joinder" to the arbitration proceedings of EuroChem AG (parent company of ENW2). ENW2 and EuroChem AG opposed this request on November 29, 2022. The ICC Court is expected to rule on the issue in February 2023. TCM and MTR filed their reply on December 19, 2022. To date, the arbitration tribunal has not yet been constituted. Arbitration is expected to conclude no earlier than late 2025.

Sadara Chemical Company (Kingdom of Saudi Arabia)

This is an arbitration dispute administered by the International Chamber of Commerce (ICC Case 26963/AB) between Tecnimont S.p.A. and Tecnimont Arabia Company Limited (jointly, "Tecnimont") and Sadara Chemical Company ("Sadara"), pertaining to the performance of two contracts, an Out of Kingdom contract ("OOK Contract") and an In Kingdom contract ("IK Contract") signed on July 23, 2012 for the construction of a High Pressure Low Density Polyethylene Train Unit. Work concluded on February 14, 2017, 23 months behind the contract date as a result of events attributable to the developer Sadara, including delays in design and supply for which Sadara was responsible, and changes in the work. During the execution of the project, Tecnimont submitted its complaints to Sadara. These were discussed in several conciliation attempts between the Senior Executives of the parties, which did not lead to the settlement of the dispute. Following completion of the project, Tecnimont claimed compensation for additional project delays and costs, restitution of withholdings from the contract price, and payment of outstanding invoices for a total value of claims to date estimated at USD 75,636,628.71 plus interest from Mechanical Completion, which occurred on February 14, 2017. The current estimate of the latter figure is USD 20,234,811. On April 5, 2022, Tecnimont filed its Request for Arbitration before the ICC. On May 11, 2022, Sadara submitted its Answer by filing a counterclaim for USD 36,532,587.47. The parties subsequently agreed to suspend arbitration in an attempt to reach an amicable settlement through a mediation procedure. Mediation meetings were held in London on September 7 and 8, 2022, and did not lead to the settlement of the dispute. The Arbitration Tribunal was constituted on September 29, 2022. In an order dated December 3, 2022, the Arbitration Tribunal established the procedural schedule. Tecnimont submitted its Statement of Claim on January 30, 2023.

Amistad, Wind Plant (Mexico)

This is an arbitration dispute administered by the International Chamber of Commerce between Met Newen México, S.A. de C.V. and Neosia Renewables S.p.A. and Kino Contractor, S.A. de C.V.m Parque Amistad II, S.A. de C.V. and Enel Green Power México, S. de R.L. de C.V. relating to the performance of the contract acquired in 2016. 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 work was completed behind the contractual date as a result of events attributable to the client; during the execution of the project, Met Newen México, S.A. de C.V. and Neosia Renewables S.p.A. filed claims for recognition of additional project costs. These were discussed in various attempts at conciliation by the parties, which did not result in settlement of the dispute. On September 20, 2022, Met Newen México, S.A. de C.V. and Neosia Renewables filed its Request for Arbitration before the ICC.

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, 2022 according to currently available information is presented below.

MAIRE TECNIMONT S.p.A.: audit for 2017 of direct taxes, IRAP, VAT and withholding tax

On May 25, 2022, following a general audit for the purposes of direct taxes, IRAP, VAT and withholding taxes conducted by the Tax Agency (Provincial Directorate II of Rome) for the 2017 tax period, the Formal Notice of Findings was delivered. This contained a finding regarding IRAP relating to income originated from TRES contracts that the Agency deemed related to the convertible bond loan. This finding was fully settled by Maire Tecnimont in the course of contacts with the Tax Agency, resulting in an agreed settlement and the establishment of additional taxes of Euro 59 thousand, settled in part through the Company's IRAP credit.

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:

- 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;
- 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, which was declared admissible by the Office for the Resolution and Prevention of International Disputes, the Milan Provincial Tax Commission ordered the suspension of the judgments for fiscal years 2014, 2015 and 2016.

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 relating to fiscal 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:

- 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;
- Receivables for taxes paid abroad (for a total of Euro 363,000);
- withholding taxes on royalties paid to non-resident entities (for a total of Euro 994,000).

We note that KT Kinetics Technology S.p.A. ("KT") 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 aforementioned findings were fully settled by KT during an adversarial procedure with the Internal Revenue Service that concluded with an agreement deed signed on May 24, 2022, which resulted in the payment of a total of Euro 742 thousand, a significant reduction in the initial claims of the auditors.

No further objections have been served to KT.

Ingeniería y Construcción Tecnimont Chile y Compañía Limitada: tax audit related to fiscal years 2011, 2012, 2013 and 2014

In May 2013 Ingeniería y Construcción Tecnimont Chile y Compañía 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 78 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 June 20, 2022, Maire Tecnimont S.p.A. launched the treasury share buyback 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 and specifically to service the Second Cycle (2021) of the “2020-2022 General Share Plan for Maire Tecnimont Group employees”

As part of the share buy-back program, between June 20, 2022 and June 23, 2022 inclusive, 1,000,000 treasury shares were acquired (corresponding to 0.304% of the total number of ordinary shares), at an average weighted price of Euro 2.915, for a total amount of Euro 2,914,941.15, and the program was therefore completed.

Subsequently, 1,066,269 shares were delivered to the beneficiaries of the Second Cycle (2021) of the 2020-2022 General Share Plan and 21,780 shares for another plan involving the delivery of shares.

As of December 31, 2022, the Company, by virtue of the remaining treasury shares from the previous year, the new purchases in 2022 and related deliveries, thus holds a residual 109,297 treasury shares to be used for the next cycle of the long-term 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, 2022. With regard to the assessment of the impacts of the Russia-Ukraine crisis, please refer to the "Key Events in the Year" and "Subsequent events and Outlook" paragraphs.

20. Subsequent events and outlook

KEY EVENTS SUBSEQUENT TO YEAR-END

A JV CONSISTING OF TECNIMONT, TECHNIP ENERGIES AND SAMSUNG ENGINEERING IS AWARDED A PRELIMINARY ENGINEERING AND PROCUREMENT CONTRACT WORTH USD 80 MILLION FROM ADNOC FOR THE GAS HAIL & GHASHA DEVELOPMENT PROJECT IN ABU DHABI

On January 16, 2023, Maire Tecnimont S.p.A. announced that Tecnimont S.P.A. had received a letter of award from ADNOC for preliminary engineering and procurement work ("Pre-Construction Services Agreement-PCSA") related to the onshore structures of the Hail & Ghasha project, as a member of a joint venture comprising Tecnimont, Technip Energies and Samsung Engineering.

The total value of the preliminary engineering and procurement work for the onshore facilities is about USD 80 million for the joint venture. The scope of the PCSA work also includes the preparation of an Open Book Estimate for the execution of the entire project, which will be considered as part of the client's final investment decision.

This award comes as ADNOC accelerates the expansion of its gas business, part of its low-carbon growth strategy to continue to responsibly meet global energy needs. ADNOC is committed to making the most of the UAE's abundant natural gas reserves to ensure gas energy independence, industrial growth and diversification in the country, and to meet the growing global demand for gas.

MAIRE TECNIMONT ACQUIRES MAJORITY STAKE IN CONSER, AN ITALIAN BIODEGRADABLE PLASTICS INTERMEDIATES AND HIGH VALUE-ADDED DERIVATIVES TECHNOLOGY COMPANY, THROUGH NEXTCHEM HOLDING

January 23, 2023 - Maire Tecnimont S.p.A. announced its expansion, through the subsidiary NextChem Holding, into the markets for high value-added derivatives and biodegradable plastics intermediates technologies thanks to the acquisition of an 83.5% stake in Conser, a Rome-based proprietary technology and process engineering company. Founded more than 50 years ago, Conser was developed by engineer Flavio Simola, who guided the company to the technological excellence it showcases today. Closing of the deal is subject to typical conditions for this type of transaction and expected by April 15, 2023. NextChem Holding also has the option to acquire the remaining 16.5% stake within the next three years. The acquisition of Conser, which developed total expected revenues of about Euro 25 million in 2022, is strategically significant in that it allows the Group to enter new markets.

Conser boasts an extremely diverse portfolio of technology patents relating to the energy transition and processes for high value-added fine chemical products. The portfolio includes flexible and cost-effective technologies for maleic anhydride, butanediol, and dimethyl succinate, which are key building blocks in the production of biodegradable plastics, and in particular polybutylene succinate (PBS) and polybutylene adipate co-terephthalate (PBAT). Conser's portfolio also includes technologies for liquid organic hydrogen carriers, fine chemistry for lithium battery production, and bio-based derivatives (plant glycerin).

PBS and PBAT have excellent biodegradation properties, and their consolidated markets are very promising. This is thanks to growing demand especially in Asia, where Conser has licensed more than half of the plants for various global clients in the past year.

Conser will benefit from the Maire Tecnimont Group's technological expertise and experience to further optimize its current and future technologies and develop, among other products, a fully biodegradable or bio-based polymer.

This strategic acquisition sees Maire Tecnimont further strengthen its leadership in the polymer sector by adding technologies for biodegradable plastics intermediates and value-added specialty chemicals to its portfolio. It will seek to combine them with its integrated project execution capability while leveraging its international sales network.

THROUGH NEXTCHEM, MAIRE TECNIMONT EXPANDS ITS CIRCULAR ECONOMY TECHNOLOGY PORTFOLIO BY ACQUIRING CONTROL OF CATC, CATALYTIC PLASTIC DEPOLYMERIZATION TECHNOLOGY

On February 6, 2023 Maire Tecnimont S.p.A. announced that its subsidiary NextChem S.p.A. had signed an agreement with Biorenova S.p.A. to acquire, develop and industrialize its proprietary CatC technology, a continuous chemical recycling process to recover highly pure monomers (basic components for the plastics value chain) from sorted plastic waste, particularly polymethyl methacrylate (PMMA, also known as Plexiglass). NextChem intends to industrialize CatC in the Plexiglass market and then gradually expand its use to other value-added plastics, as the technology is suitable for the depolymerization of polystyrene, a widely used plastic with numerous industrial applications from food packaging to electronics and the automotive sector, among others. Further optimization of the technology would also provide access to the broader polyolefin market.

CatC technology was developed in Abruzzo, where the first commercial development plant has already been built. Monomer samples have been fully validated by potential clients. Once industrialized, CatC will offer a cost-effective and competitive alternative to other Plexiglass depolymerization technologies, as the monomers can be used directly without further processing. Biorenova S.p.A. is an innovative SME working in the development of proprietary circular economy technologies, and specifically in the areas of material recovery through CatC technology and biological hydrogen production.

NextChem will hold a 51% stake in the new company (NewCo), which owns the CatC technology. Biorenova will retain the remaining 49%. Closing is subject to conditions typical for this type of transaction, and is scheduled for April 30, 2023. This acquisition is strategically significant in that it allows the Group to expand its technology portfolio and enter new markets.

Expected revenues from this activity are expected to grow gradually to a total of Euro 30 million by 2028. After this period, revenues in the range of about Euro 15-20 million per year are expected.

Through the Newco, NextChem will act as a technology licensor, provider of high value-added process engineering and critical equipment.

NEXTCHEM AWARDED FEASIBILITY STUDY FROM FORESIGHT GROUP TO DECARBONIZE ETA'S WASTE-TO-ENERGY PLANT IN MANFREDONIA

On February 13, 2023, Maire Tecnimont S.p.A. announced that its subsidiary NextChem had been awarded a feasibility study by the Foresight Group for a carbon dioxide capture and sustainable methanol production plant at ETA's waste-to-energy plant in Manfredonia, Puglia. Following conclusion of the feasibility study, the authorization process, and the subsequent final investment decision, the execution of the engineering and construction phases will be carried out by Maire Tecnimont Group's subsidiaries using an integrated approach designed to make the most of the Group's distinctive capabilities and competencies.

The Foresight Group is a fund manager holding Euro 13 billion of sustainability-oriented investments and numerous assets globally, including waste-to-energy plant.

NextChem was tasked with identifying the best proposal to decarbonize the plant, providing a tailored solution through its technology portfolio. The project aims to make use of approx. 200 thousand metric tons per year of carbon dioxide which is currently emitted into the atmosphere, combining it with green hydrogen to produce sustainable fuel.

MAIRE TECNIMONT GROUP INDUSTRIAL REORGANIZATION APPROVED

In the fourth quarter of 2022, the Group launched an industrial reorganization (the "Project") against the backdrop of the broader social and industrial transformation underway globally, which has led to a reshaping of its long-term strategies. This led to, following the Board of Directors' approval on March 1, 2023, the Group's industrial reorganization into two business units ("BU's"). Specifically: i) "Integrated E&C Solutions", covering executive general contractor operations, so as to achieve economies of scope and synergies on projects with integrated technologies and processes, in addition to greater operational efficiency and reduced overheads; and ii) "Sustainable Technology Solutions", covering all of the Group's sustainable technology solutions/operations, in addition to the high value-added/innovative services primarily focused on the energy transition and the "green acceleration".

As part of the Project and in particular for the purposes of setting up the "Sustainable Technology Solutions" business unit, the Board of Directors of Maire Tecnimont approved the transfer to the newly-incorporated subsidiary NextChem Holding S.p.A. ("NextChem Holding") of 100% of the share capital of the Dutch subsidiary Stamicarbon B.V. ("Stamicarbon") and of 56.67% of the share capital of the subsidiary NextChem S.p.A. ("NextChem" and the "Maire Tecnimont Shareholdings"). This also stipulated that Maire Investments S.p.A. ("MI"), owner of the remainder of NextChem (43.33%), shall transfer its holding to NextChem Holding.

A paid-in and indivisible share capital increase shall therefore be undertaken of NextChem Holding (currently 56.67% and 43.33% held by Maire Tecnimont and MI respectively) for a total of Euro 648,450,000, excluding the pre-emption rights pursuant to Article 2441, paragraph 4, of the Civil Code and reserved for Maire Tecnimont and MI shareholders, to be paid-in by means of the simultaneous contribution of the above-mentioned shareholdings.

As a result of the increase, 78.37% of the share capital of NextChem Holding will be held by Maire Tecnimont and 21.63% by MI, while NextChem Holding will wholly-own NextChem and Stamicarbon.

The contribution transaction qualified as a significant related party transaction pursuant to Consob Regulation No. 17221/2010 (the "Consob Regulation") and the current "Related Party Transactions Policy" adopted by the Company (the "Policy"), as NextChem Holding is a Maire Tecnimont subsidiary and in which MI has a stake, and subject therefore to common control. The Board of Directors' motion was therefore taken after a reasoned binding favorable opinion of the Related Parties Committee on Maire Tecnimont's interest in the completion of the capital increase transaction, having moreover verified the satisfaction of the benefit and substantial and procedural correctness requirements.

Deloitte Financial Advisory S.r.l. S.B. - in its capacity as independent expert appointed by the Company's Board of Directors, after preliminary investigation for this purpose carried out by the Related Parties Committee - issued two expert opinions pursuant to Article 2343-*ter*, paragraph 2, letter b) of the Civil Code concerning the value of the shareholdings in NextChem and Stamicarbon to be contributed, in addition to the fairness opinion in order to identify the exchange value, i.e. the ratio between the share values of MI and Maire Tecnimont in NextChem Holding following the contribution transaction.

The Related Parties Committee was also supported by the Tombari D'Angelo e Associati Law Firm, in the person of Mr. Umberto Tombari, as its independent legal advisor and by the company WEpartner, in the person of Mr. Pietro Mazzola, as its independent economic advisor, for the purposes of the Committee's contacts with Deloitte Financial Advisory S.r.l. S.B.

The disclosure document for the conferment transaction, drawn up as per Article 5 and in accordance with the template as per Annex 4 of the Consob Regulation, in addition to the policy, shall be made available to the public in accordance with the deadlines and means established by the applicable law and regulations, together with the Related Parties Committee opinion, in addition to the above-stated expert reports and fairness opinion.

OUTLOOK

The general market environment, significantly impacted by the international 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.

Amid an increase in natural resource prices, stemming from a strong recovery in demand for energy supply, the drive towards transformation infrastructure investment continues, with focus on reducing the carbon footprint, supported by buoyant demand for the various commodities globally, also as a result of the absence, particularly on western markets, of production from plants located in countries affected by the current conflict.

The above-mentioned drive to cut its carbon footprint 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 companies under the subholding NextChem Holding S.p.A..

In view of that outlined above, the following operating-financial results are forecast for 2023: Revenues: Euro 3.8-4.2 billion; EBITDA Margin: 6-7%; Adjusted Net Financial Position in line with December 31, 2022, in view of the significant development of the technological portfolio to support the new strategic approach or which "Capex" of Euro 95-115 million is expected to be deployed in the year.

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 2022 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 38.9 million for 2022, with an EBITDA of Euro 38.3 million and shareholders' equity of Euro 470.6 million.

Income Statement

(in Euro)	2022	2021
Total Revenues	101,370,838	116,558,602
Total Costs	(63,091,974)	(49,671,566)
EBITDA	38,278,865	66,887,036
Amortization, depreciation and write-downs	(2,405,636)	-901.478
EBIT	35,873,229	65,985,558
Financial income	21,870,493	28,734,103
Financial charges	(24,940,563)	(22,655,836)
Investment income/(expense)	0	0
Income before taxes	32,803,159	72,063,825
Income taxes	6,136,957	1,677,139
Net income for the year	38,940,115	73,740,964
Basic earnings/(loss) per share	0.12	0.22
Diluted earnings/(loss) per share	0.12	0.22

Revenues in 2022 mainly comprised dividends received from the subsidiary Tecnimont S.p.A. of Euro 40 million, from the subsidiary KT-Kinetics Technology S.p.A. of Euro 8.6 million, and from the subsidiary Stamicarbon B.V. of Euro 16.1 million. Revenues decreased from the previous year, in which higher dividend collections from subsidiaries were reported.

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 in relation to Service costs and more so in relation to Personnel expense. The increase is a result of both a higher average workforce than in the previous year and a resumption of personnel compensation and incentive policies during 2022, including the launch of new employee retention plans.

Financial income amounts to Euro 21.9 million and decreased on the previous year Euro 6.8 million, 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 in 2022 amounted only to Euro 0.8 million, following the decrease in the stock price. The residual amount of financial income of Euro 20.6 million increased by approx. Euro 2 million and 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 24.9 million, increasing Euro 2.3 million on the previous year and refer for Euro 3.8 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 12.5 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 and on the ECP. Financial expenses also include Euro 3.5 million for the negative fair value of the residual shares of four cash-settled Total Return Equity Swap (TRES) derivative instruments. The charge related to the TRES is due to the decrease in the Maire Tecnimont stock price in 2022 in response to the situation that came about on the currency markets in response to the international tensions surrounding the Russia-Ukraine crisis and to market uncertainty, which had a negative impact on the share price, although constantly improving over the quarters in 2022.

Net income of Euro 38.9 million is reported, reducing on the previous year, essentially due to the higher dividends collected by the Italian subsidiaries and the financial management impact, as outlined above.

Balance Sheet

(in Euro)	2022	2021
Non-current assets	997,484,050	1,072,424,107
Current assets	405,288,094	422,504,465
Total Assets	**1,402,772,144**	**1,494,928,572**

(in Euro)	2022	2021
Shareholders' Equity	470,611,453	477,325,716
Non-current liabilities	458,429,213	546,086,203
Current liabilities	473,731,479	471,516,653
Total Shareholders' Equity and Liabilities	**1,402,772,144**	**1,494,928,572**

The main decrease in non-current assets is due to the reclassification to short-term of certain financial receivables (Euro 80.5 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 252 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, 2022 amount to Euro 57 million, a decrease of Euro 99.9 million compared to December 31, 2021.

Shareholders' equity at December 31, 2022 amounted to Euro 470.6 million (Euro 477.3 million at December 31, 2021), with a net decrease compared to the previous year of Euro 6.7 million, essentially linked to the net income for the year, net of the distribution of the dividend resolved by the Shareholders' Meeting of Euro 60.1 million.

Other non-current liabilities decreased on December 31, 2022, 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 92.2 million.

Other current liabilities concern for Euro 329.9 million payables to subsidiaries for current accounts, in relation to the cash pooling system and others for intercompany loans, for Euro 5 million trade payables to suppliers for ordinary operations and for Euro 3.8 million trade payables to subsidiaries.

Other current liabilities include also Euro 42 million concerning payables to subsidiaries for Group VAT. Again in 2022 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 4 subsidiaries, with headquarters in 4 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, 2022

23. Financial Statements

23.1. Consolidated Income Statement

(in Euro thousands)	*Note*	2022	2021
Revenues	27.1	3,423,324	2,844,069
Other operating revenues	27.2	40,399	20,713
Total Revenues		**3,463,723**	**2,864,782**
Raw materials and consumables	27.4	(1,459,497)	(1,024,695)
Service costs	27.5	(1,184,820)	(1,172,509)
Personnel expenses	27.6	(509,408)	(427,528)
Other operating costs	27.7	(100,681)	(66,318)
Total Costs		**(3,254,406)**	**(2,691,050)**
EBITDA		**209,317**	**173,732**
Amortization, depreciation and write-downs	27.8	(48,165)	(41,186)
Write-down of current assets	27.9	(3,163)	(2,587)
Provisions for risks and charges	27.9	0	0
EBIT		**157,989**	**129,959**
Financial income	27.10	20,066	20,454
Financial expenses	27.11	(51,115)	(34,132)
Investment income/(expense)	27.12	2,157	(2,446)
Income before taxes		**129,097**	**113,835**
Income taxes, current and deferred	27.13	(38,744)	(33,364)
Net income for the year		**90,353**	**80,471**
Group net income		89,890	83,301
Minorities		463	(2,830)
Basic earnings per share	27.14	**0.274**	**0.254**
Diluted earnings per share		**0.274**	**0.254**

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*	2022	2021
Net income for the year		**90,353**	**80,471**
Other comprehensive income/(expense) which may not be subsequently reclassified to income/(loss) for the year:			
Actuarial gains/(losses)	*28.19*	(1,061)	(1,199)
Relative tax effect		254	288
Fair value changes of investments with OCI effects	*28.19*	711	2,946
Total other comprehensive income/(expense) which may not be subsequently reclassified to income/(loss) for the year:		**(96)**	**2,035**
Other comprehensive income/(expense) which may be subsequently reclassified to income/(loss) for the year:			
Translation differences	*28.19*	2,588	12,307
Net valuation of derivatives instruments:			
· measurement derivative instruments	*28.19*	(48,184)	32,427
· relative tax effect		11,564	(7,782)
Total other comprehensive income/(expense) which may be subsequently reclassified to income/(loss) for the year:		**(34,032)**	**36,952**
Total other comprehensive income/(expense), net of the tax effect		**(34,128)**	**38,987**
Comprehensive income		**56,225**	**119,458**
Attributable to:			
· Group		55,762	122,288
· Minorities		463	(2,830)

23.3. Consolidated Balance Sheet

(in Euro thousands)	*Note*	December 31, 2022	December 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	28.1	44,084	44,627
Goodwill	28.2	295,368	294,321
Other intangible assets	28.3	110,324	101,551
Right-of-use - Leasing	28.4	133,027	126,520
Investments in associates	28.5	13,988	13,910
Financial instruments - Derivatives (Non-current assets)	28.6	4,308	16,600
Other non-current financial assets	28.7	116,989	58,578
Other non-current assets	28.8	88,181	129,833
Deferred tax assets	28.9	53,491	40,599
Total non-current assets		**859,760**	**826,539**
Current assets			
Inventories	28.10	3,946	1,845
Advance payments to suppliers	28.10	360,855	476,686
Contractual Assets	28.11	2,260,797	2,325,370
Trade receivables	28.12	704,182	491,560
Current tax assets	28.13	159,106	144,128
Financial instruments - Derivatives (Current assets)	28.14	13,082	26,580
Other current financial assets	28.15	7,486	5,300
Other current assets	28.16	259,598	234,915
Cash and cash equivalents	28.17	762,463	677,100
Total current assets		**4,531,515**	**4,383,484**
Non-current assets classified as held-for-sale		0	0
Elimination of assets to and from assets/liabilities held-for-sale		0	0
Total Assets		**5,391,275**	**5,210,023**

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, 2022	December 31, 2021
Shareholders' Equity			
Share capital	28.18	19,921	19,921
Share premium reserve	28.18	272,921	272,921
Other reserves	28.18	(5,231)	(16,330)
Valuation reserve	28.18	(31,543)	5,173
Total shareholders' equity & reserves		**256,068**	**281,685**
Retained earnings/ (accumulated losses)	28.18	145,616	128,266
Net income for the year	28.18	89,890	83,301
Total Group Net Equity		**491,574**	**493,252**
Minorities		36,477	34,098
Total Net Equity		**528,051**	**527,350**
Non-current liabilities			
Financial debt - non-current portion	28.19	290,781	448,937
Provisions for charges - beyond 12 months	28.20	13,518	9,360
Deferred tax liabilities	28.9	48,619	37,396
Post-employment & other employee benefits	28.21	10,190	10,792
Other non-current liabilities	28.22	60,128	74,844
Financial instruments - Derivatives (Non-current liabilities)	28.23	80	7,536
Other non-current financial liabilities	28.24	180,132	179,865
Non-current financial liabilities - Leasing	28.25	110,467	107,113
Total Non-Current liabilities		**713,915**	**875,843**
Current liabilities			
Short-term debt	28.26	310,837	136,426
Current financial liabilities - Leasing	28.25	22,559	21,276
Provisions for risks and charges - within 12 months	28.27	35,074	39,658
Tax payables	28.28	23,822	18,911
Financial instruments - Derivatives (Current liabilities)	28.29	43,381	20,288
Other current financial liabilities	28.30	2,780	330
Client advance payments	28.31	645,631	867,666
Contractual Liabilities	28.32	360,324	392,571
Trade payables	28.33	2,295,802	1,891,718
Other Current Liabilities	28.34	409,099	417,986
Total current liabilities		**4,149,309**	**3,806,830**
Liabilities directly associated with non-current assets classified as held-for-sale		0	0
Elimination of liabilities to and from assets/liabilities held-for-sale		0	0
Total Shareholders' Equity and Liabilities		**5,391,275**	**5,210,023**

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, 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

(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, 2021	19,921	272,921	26,524	(42,854)	5,173	128,266	83,301	493,252	34,098	527,350
Allocation of the result						83,301	(83,301)	**0**		**0**
Change to consolidation scope						(5,741)		**(5,741)**	934	**(4,807)**
Distribution dividends						(60,105)		**(60,105)**		**(60,105)**
Other changes			28			(105)		**(77)**	981	**905**
IFRS 2 (Employee share plans)			8,292					**8,292**		**8,292**
Utilization Treasury Shares 2021 for staff plans			3,106					**3,106**		**3,106**
Acquisition of Treasury Shares 2022			(2,915)					**(2,915)**		**(2,915)**
Comprehensive income/(loss) for the year				2,588	(36,716)		89,890	**55,762**	463	**56,225**
December 31, 2022	19,921	272,921	35,035	(40,266)	(31,543)	145,616	89,890	491,574	36,477	528,051

25. Consolidated Cash Flow Statement (indirect method)

(in Euro thousands)	December 31, 2022	December 31, 2021
Cash and cash equivalents at beginning of the year (A)	677,100	705,327
Operations		
Net Income of Group and Minorities	**90,353**	**80,471**
Adjustments:		
- Amortization of intangible assets	17,709	12,576
- Depreciation of non-current property, plant and equipment	5,848	4,984
- Depreciation of right-of-use - Leasing	24,608	23,626
- Provisions	3,163	2,587
- (Revaluations)/Write-downs of investments	(2,157)	2,446
- Financial expenses	51,115	34,132
- Financial income	(20,066)	(20,454)
- Income & deferred tax	38,745	33,364
- (Gains)/Losses	(3,325)	(69)
- (Increase)/Decrease inventories/supplier advances	113,730	6,396
- (Increase)/Decrease in trade receivables	(215,786)	155,041
- (Increase) / Decrease receivables for contractual assets	56,881	(398,450)
- Increase/(Decrease) in other liabilities	(20,279)	111,938
- (Increase)/Decrease in other assets	13,982	4,488
- Increase/(Decrease) in trade payables / Client advances	207,310	358,056
- Increase / (Decrease) payables for contract liabilities	(32,248)	(184,814)
- Increase/(Decrease) in provisions (incl. post-employ. benefits)	10,371	13,612
- Income taxes paid	(64,177)	(43,431)
Cash flow from operations (B)	275,777	196,499
Investments		
(Investment)/Disposal of non-current tangible assets	(4,845)	(7,411)
(Investment)/Disposal of intangible assets	(19,550)	(23,187)
(Investment)/Disposal of associated companies	1,600	0
(Increase)/Decrease in other investments	0	(418)
(Investments)/(Divestments) in companies net of cash and cash equivalents acquired	(2,423)	0
Cash flow from investments (C)	(25,218)	(31,016)
Financing		
Repayments of principal of financial lease liabilities	(26,477)	(22,837)
Payment interest on financial lease liabilities	(4,340)	(5,239)
Increase/(Decrease) in current financial payables	90,762	(88,684)
Settlement of non-current financial payables	(111,848)	(36,364)
Undertaking of non-current financial payables	0	1,493
(Increase)/Decrease in bonds	2,500	(20,000)
Change in other financial assets/liabilities	(52,773)	21,522
Dividends	(60,105)	(38,122)
Treasury shares	(2,915)	(5,479)
Cash flow from financing (D)	(165,196)	(193,710)
Increase/(Decrease) in cash and cash equivalents (B+C+D)	85,363	(28,227)
Cash and cash equivalents at end of the year (A+B+C+D)	762,463	677,100
of which: Cash and cash equivalents of Discontinued Operations	0	0
CASH AND CASH EQUIVALENTS AT END OF YEAR REPORTED IN FINANCIAL STATEMENTS	762,463	677,100

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, 2022

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 2022 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, 2022 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, 2022. See also the "Key Events in the year" and the "Subsequent events and outlook" paragraphs 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 applicable from January 1, 2022

The following amendments and interpretations applied from January 1, 2022 did not have a significant impact on the Group consolidated financial statements.

- 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".

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, 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.
- 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.

IFRS accounting standards, amendments and interpretations not yet approved by the European Union at December 31, 2022

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, 2024.
- On October 31, 2022, the IASB issued the Amendment to IAS 1 "Non-current Liabilities with Covenants," which is scheduled to take effect on January 1, 2024.
- On September 22, 2022, the IASB issued the document Amendment to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback," which is scheduled to take effect on January 1, 2024.

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, 2021 were as follows:

- deconsolidation following the cancellation of Turbigo 800 Consortium, JV JGC TCM (Gasco), of Vinxia Engineering a.s. and of TWS S.A.;
- Purchase of the remaining 30% of KT Arabia LLC from the local partner, resulting in an increase of the controlling interest to 100%;
- Incorporation of Nextchem Holding S.r. l., a vehicle company 56.67% owned by the Maire Tecnimont Group and 43.33% owned by Maire Investments S.p.A., which in turn is held by G.L.V. Capital S.p.A., parent company of Maire Tecnimont S.p.A.. The vehicle was established as part of the Maire Group's reorganization process launched in late 2022.
- Acquisition of 51% of Tecni and Metal Private Limited, an Indian company engaged in construction and specifically mechanical and piping work for Oil & gas, petrochemical and fertilizer plants.

This last transaction is recorded in the financial statements pursuant to the revised IFRS 3 ("business combinations"), i.e. by recording the fair value of assets, liabilities and potential liabilities at the acquisition date - the "Purchase Price Allocation" (PPA). The PPA process, carried out on the date of acquiring majority and, therefore, control, identified the amount of net assets at approx. Euro 0.9 million and additional goodwill of approx. Euro 1.1 million. This figure is provisional since, in accordance with the revised IFRS 3, the valuation becomes definitive within 12 months from the acquisition date.

The following table summarizes asset and liability figures identified as part of the above business combination and the acquisition prices of entities acquired, as from the acquisition date:

(in Euro thousands)		Fair Value - Assets/Liabilities Acquired
Assets		
Property, plants and equipment		924
Other receivables		167
Cash and cash equivalents		1
Total Assets		**1,092**
Trade payables		189
Total Liabilities		**189**
Fair Value of Net Assets Acquired		**903**
% pertaining to Group	51%	
Fair Value pertaining to Maire Group		**460**
Acquisition price		1,509
Goodwill		**1,048**
Cash and cash equivalents acquired		1
Net acquisition price		**1,508**

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 22	31.12.2022	January - December 21	31.12.2021
Euro/US Dollar	1.053000	1.066600	1.1827	1.1326
Euro/Brazilian Real	5.439900	5.638600	6.3779	6.3101
Euro/Indian Rupee	82.686400	88.171000	87.4392	84.2292
Euro/Nigeria Naira	445.362300	477.922100	470.922	466.8577
Euro/Chilean Peso	917.830000	913.820000	898.390	964.3500
Euro/Russian Ruble (*)	72.150900	75.655300	87.1527	85.3004
Euro/Saudi Arabia Riyal	3.948900	3.999800	4.4353	4.2473
Euro/Polish Zloty	4.686100	4.680800	4.5652	4.5969
Euro/Malaysian Ringgit	4.627900	4.698400	4.9015	4.7184
Euro/Mexican Pesos	21.186900	20.856000	23.9852	23.1438
Euro/GBP	0.852760	0.886930	0.8596	0.84028
Euro/AED	3.867300	3.917100	4.3436	4.1595

(*) in relation to the ruble currency the Russian Central Bank's exchange rate was used.

The consolidation scope at December 31, 2022 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	
Nextchem Holding Srl	Italy	EUR	10,000	56.67%	Maire Tecnimont S.p.A.	56.67%
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	33,115	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	1,444,971	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%
KT S.p.A.	Italy	EUR	6,000,000	100%	Maire Tecnimont S.p.A.	100%
KTI Arabia LLC	Saudi Arabia	SAR	500,000	100%	KT S.p.A.	100%
KT Cameroun S.A.	Cameroon	XAF	220,000,000	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%
MTPOLSKA Sp.z.o.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%
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%
					TPI Tecnimont Planung und Industrieanlagenbau Gmbh	1%
Tecnimont Private Limited	India	INR	13,968,090	100%	Tecnimont S.p.A.	100%

Consolidated companies	Location/Country	Currency	Share capital	% Group	Through:	
Tecni and Metal Private Limited	India	INR	81,523,500	51%	Tecnimont Private Limited	51%
Tecnimont do Brasil Ltda.	Brazil	BRL	606,790,396	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%	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%	Tecnimont S.p.A.	100.00%
TecnimontHQC S.c.a.r.l.	Italy	EUR	10,000	60%	Tecnimont S.p.A.	60.00%
TecnimontHQC Sdn Bhd.	Malaysia	MYR	750,000	60%	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. in liquidation	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. in liquidation	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.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%
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 2022 consolidated annual financial statements are the same as those adopted in preparing the 2021 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, 2022, as discussed above in the "Accounting standards applied from January 1, 2022" 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 formalized 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 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.

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 and 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 and amortization, 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.

In 2022, the previous Chief Executive Officer and other managers included in the afore-mentioned plan resigned. In response to these resignations, the shareholders of NextChem, Maire Tecnimont and Maire Investments respectively in proportion to their shareholdings exercised the Call option to repurchase the rights of the warrants from the beneficiaries who left the Group, and subsequently these rights were cancelled with the consequent reversal of the financial liability to the equity reserve of NextChem S.p.A.

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, 2022. 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, 2022 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 refer 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, 2022, 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, 2022, the plans that fall into this category are the 2020-2022 General Share Plan, the 2021-2023 LTI Plan and the new 2022-2024 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 2022 amounted to Euro 3,423,324 thousand, an increase of Euro 579,255 thousand on the previous year as follows:

(in Euro thousands)	2022	2021
Revenues from sales and services	513,643	479,251
Changes in contract work-in-progress	2,909,681	2,364,818
Total	**3,423,324**	**2,844,069**

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, 2022, about 64% of the Group's consolidated revenues came from 10 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.

The operating performance for the Maire Tecnimont Group in 2022 saw a 20.9% increase in production volumes over the previous year. The increased volumes reflect the expected development of projects in the extensive backlog, thanks both to the progression to the processing phases capable of expressing higher volumes for projects already under execution and the start-up of recently acquired projects.

Production in 2022, although significantly higher than in 2021 for the reasons outlined, has been affected since the end of February by the effects induced by the sanctions introduced as a result of the Russia-Ukraine crisis; in the third quarter of 2022, also as a result of the additional sanctions against the Russian Federation, it was almost impossible to continue operations even on those projects previously suspended, consequently, the residual value of the relevant projects was also eliminated from the Backlog.

The other major, recently acquired projects, which are in regions not impacted by current geopolitical tensions, have begun making greater progress than originally forecast following an acceleration from the initial stages of these projects, which mainly concerned planning and the start of procurement of critical materials.

Specifically, the account "change in contract work-in-progress", used to account for long-term revenues in progress, also rose in the year by Euro 544,863 thousand. "Revenues from sales and services", which mainly includes the revenues from the orders concluded in 2022 whose invoicing is complete; the revenues of MyReplast Industries S.r.l. involved in the mechanical recycling of plastics; revenues for maintenance services and facility management, increased on 2021.

Group core business revenues derived for approx. 91.2% from the "Hydrocarbons" business unit (97% in 2021), an increase on the previous year in overall terms of consolidated volumes, but down in percentage terms as a result of the growth of the "Green Energy" BU.

The main production volumes of the "Hydrocarbons" BU concern the Port Harcourt Refinery projects in Nigeria, the EPC Borouge 4 project, Agic in Saudi Arabia, Paraxylene in India and INA-Industrija Nafte in Croatia, and the Russian Kingisepp 2 project for activities carried out before the sanctions.

Finally, the "Green Energy" BU represented approx. 8.8% of revenues (3% in 2021), with an increase of approx. 257.5% on the previous year following a steady increase in energy transition related operations, thanks to the co-operation agreements signed with a number of Italian and overseas counterparties and to the restart of some energy efficiency services that had previously slowed as a result of the pandemic. Finally, as outlined in the preceding quarters of 2022, the "Green Energy" BU began seeing the results of a number of recently acquired projects that had not previously been categorized under this area of operations, as the “green” component of these projects qualifies them for this categorization based on the taxonomy.

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, 2022, the contractual obligations to be fulfilled by the Group (residual backlog) amounted to approx. Euro 8,614 million (Euro 8,435.4 million at December 31, 2021); 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 2022 amounted to Euro 40,399 thousand, up Euro 19,686 thousand on the previous year and relate to:

(in Euro thousands)	2022	2021
Operating currency gains	17,397	1,251
Other income	12,690	9,126
Prior year income	4,099	4,126
Gains on disposals	3,745	217
Insurance indemnities	1,332	1,604
Currency derivative gains	1,089	2,221
Use of other risk provisions	34	72
Revenues from material sales	12	181
Contract penalties	0	638
Use doubtful debt provision	0	1,275
Total	**40,399**	**20,713**

Other operating revenues refer to revenues not directly connected to the Group core business.

“Operating exchange differences”, in the amount of Euro 17,397 thousand, represents the net positive difference between gains and losses on operating exchange differences; the change is tied to the trend on forex markets and in the currencies that concern projects and the various components of the financial statements; the positive effects are due mainly to the strengthening of the US Dollar against the Euro.

“Prior-year income”, in the amount of Euro 4,099 thousand, mainly concerns other revenues not related to contracts;

“Gains on disposals" of Euro 3,745 thousand refer to a gain realized as a result of a price adjustment on the sale of the MGR Verduno S.p.A. project - "Alba-Bra' hospital concession" initiative, and for the remainder capital gains on the sale of vehicles involved in renewable initiatives;

“Insurance indemnities” of Euro 1,332 thousand refer to income recognized following an insurance payout made in the year;

"Currency derivative gains", amounting to Euro 1,089 thousand, concern cash flow hedges on Group contractual commitments, principally hedging payments in foreign currencies impacting the income statement in the year.

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

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) at December 31, 2022. 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 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** - engaged in Green Acceleration initiatives managed by NextChem and its subsidiaries, in addition to other Group companies based on the specific expertise required by the market for (i) targeted initiatives in the circular economy through the mechanical recycling of plastics and by promoting chemical recycling, (ii) the "Greening the Brown" to mitigate the environmental impacts of oil and gas processing, including through CO2 capture and cutting the carbon footprint of fertilizers produced under its own licenses, and (iii) the "Green - Green" to develop additives or petroleum substitutes for fuels or plastics from renewables for which the Group holds proprietary technologies or agreements for the exclusive use of third-party technologies. The Group is also engaged in the renewable energy sector (mainly solar and wind) for large-scale initiatives and in maintenance services, facility management, the provision of general services related to temporary site facilities, and the design and construction of infrastructure works.

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:

2022 SEGMENT REVENUES AND RESULT:

(in Euro thousands)	Revenues		Segment result (EBITDA)	
	2022	2021	2022	2021
Hydrocarbons	3,157,627	2,779,161	181,396	168,454
Green Energy	306,096	85,621	27,921	5,278
Total	**3,463,723**	**2,864,782**	**209,317**	**173,732**

2022 SEGMENT INCOME STATEMENT:

(in Euro thousands)	Hydrocarbons	Green Energy	Total
Segment revenues	3,157,628	306,095	3,463,723
Industrial margin (Business Profit)	**258,423**	**40,271**	**298,694**
Segment result (EBITDA)	**181,396**	**27,921**	**209,317**
Amortization, depreciation, write-downs and provisions			(51,328)
Operating Profit	**181,396**	**27,921**	**157,989**
Financial income/(expenses)			(28,891)
Profit before tax			**129,098**
Income taxes			(38,744)
Net result			**90,353**
Group net income			89,890
Minority interest net income			463

2021 SEGMENT INCOME STATEMENT:

(in Euro thousands)	Hydrocarbons	Green Energy	Total
Segment revenues	2,779,160	85,621	2,864,782
Industrial margin (Business Profit)	**242,693**	**13,030**	**255,724**
Segment result (EBITDA)	**168,454**	**5,278**	**173,732**
Amortization, depreciation, write-downs and provisions			(43,773)
Operating Profit	**168,454**	**5,278**	**129,959**
Financial income/(expenses)			(16,124)
Profit before tax			**113,835**
Income taxes			(33,364)
Net result			**80,471**
Group net income			83,301
Minority interest net income			(2,830)

REORGANIZATION: IMPACTS ON REPORTING

In the fourth quarter of 2022, the Group launched a reorganization against the backdrop of the broader social and industrial transformation underway globally, which has led to the Company and the Group reshaping its long-term strategies.

Specifically, the opportunity emerged to: 1) rationalize the Group's "EPC" (Engineering, Procurement and Construction) production activities through a reduced number of corporate structures, in order to maximize i) economies of scope and synergies on projects with integrated technologies and processes, and ii) operational efficiencies and reduced overheads, and 2) strategically enhance the "licensing" and "high value added engineering" component - including the specific skills matured in the related "process engineering" field - now present in various Group companies, so as to present in clearer terms the growing importance of the technological component to stakeholders and the financial markets, especially in "green" projects and/or related to the "energy transition" underway globally. The need for the above is made all the more urgent in view of the European regulatory framework and its upcoming development, which are creating a new reality for European big business, also in view of the imminent introduction of additional drivers of change in environmental, social and climate strategy.

The launch of the "Industrial Reorganization Project" by the Group therefore redefines operations concentrated into two business units ("BUs"). Specifically: i) "Integrated E&C Solutions", covering general contractor execution activities, so as to achieve economies of scope and synergies on projects with integrated technologies and processes, in addition to greater operational efficiency and reduced overheads. This BU may provide services or operate in partnership with the "Technology Solutions" BU, given the growing demand for sustainable investments. ii) "Technology Solutions", covering all of the Group's sustainable technology solutions/operations, in addition to the high value-added/innovative services primarily focused on the energy transition and the "green acceleration".

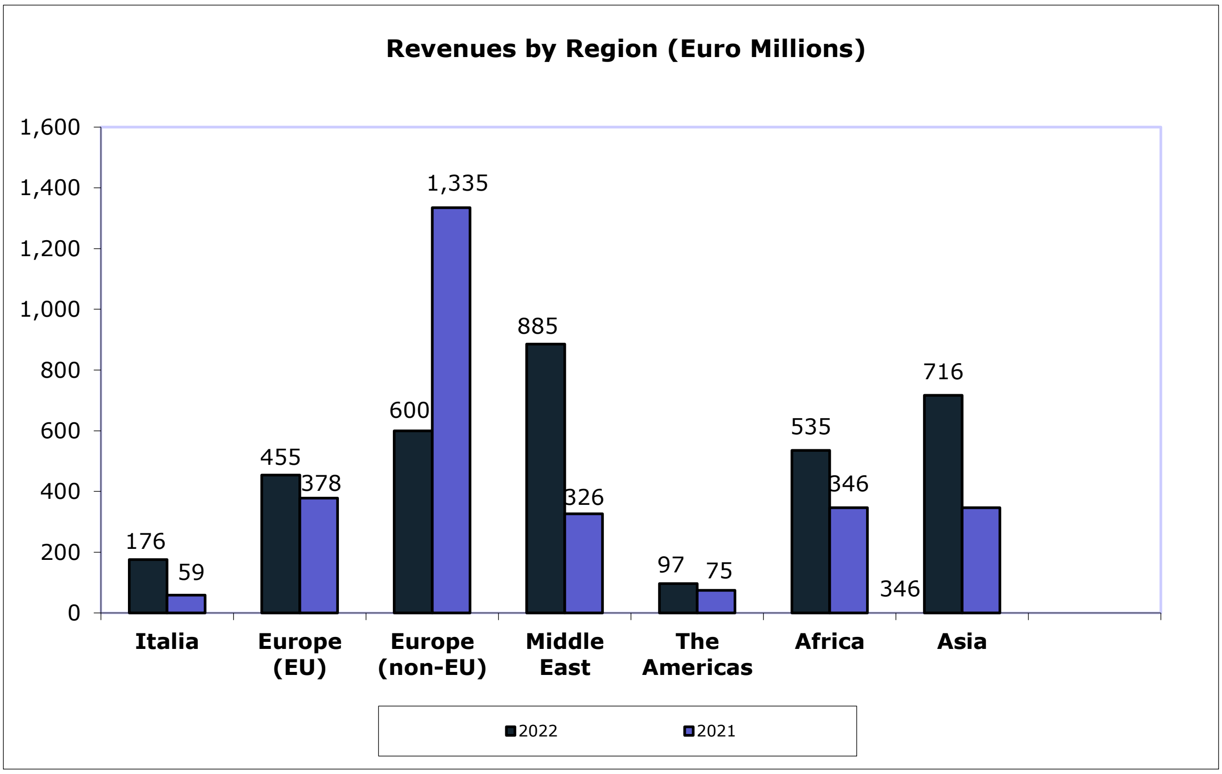
The "Technology Solutions" BU will focus on four separate industrial clusters of interest to the Group, namely: 1) Sustainable Nitrogen Solutions (sustainable and green fertilizers); 2) Sustainable Hydrogen and Circular Carbon Solutions (hydrogen and CO2 capture and utilization); 3) Sustainable Fuels and Chemicals (circular economy bio or synthetic fuels and e-fuels), and 4) Sustainable Polymers (recycled and bio polymers). The first cluster refers to the activity of the subsidiary Stamicarbon B.V., the second and third clusters will concern the operations of the subsidiary NextChem S.p.A. and its subsidiary MyRechemical S.r.l., while the fourth cluster will also concern NextChem S.p.A. and its subsidiary MyReplast Industries S.r.l. in addition to the newly acquired Conser S.p.A. and the NewCo with Biorenova S.p.A.

The Company, also in order to facilitate the financial market's understanding of the development of the operating/financial performance already presented during the 2022 quarters, as of December 31, 2022 and in continuity with the previous year maintains the reporting structure based on the two divisions Hydrocarbons and Green Energy. This choice also stems from the fact that the Group is completing the implementation of the control system in line with the new organizational structure by adjusting its reporting structure in accordance with IFRS 8.

REGIONAL SEGMENTS

The regional breakdown of Revenues in 2022 compared to the previous year is illustrated below:

(in Euro thousands)	2022		2021		Change	
	Total	%	Total	%	Total	%
Italy	176,076	5.1%	58,594	2.0%	117,482	200.5%
Overseas						
· Europe (EU)	454,565	13.1%	377,708	13.2%	76,857	20.3%
· Europe (non-EU)	599,526	17.3%	1,335,165	46.6%	(735,639)	(55.1%)
· Middle East	885,263	25.6%	326,097	11.4%	559,166	171.5%
· The Americas	96,904	2.8%	74,532	2.6%	22,373	30.0%
· Africa	534,900	15.4%	346,392	12.1%	188,508	54.4%
· Asia	716,488	20.7%	346,293	12.1%	370,195	106.9%
Total Consolidated Revenues	**3,463,723**		**2,864,782**		**598,942**	**20.9%**



The above table indicates the percentage of revenues by region, reflecting the current development of activities. As presented in the revenues table, the Middle East, Africa and Asia regions saw a recovery, particularly in India, following the start-up of newly acquired projects in these areas. Activities in non-EU countries, mainly Russia, as a result of the European sanctions, imposed since the beginning of the crisis until today, has made it increasingly complex to continue activities on ongoing projects until the gradual suspension of almost all operational activities at the end of the first half of the current year and in the third quarter of 2022 following also the additional sanctions against the Russian Federation and the almost impossibility to continue activities even on those projects previously suspended.

During the year, revenues were recognised from three clients with individual amounts greater than 10% of total revenues, the cumulative value of which was approx. Euro 1,275 million related to the Hydrocarbons BU.

27.4. Raw materials and consumables

Raw materials and consumables in 2022 amount to Euro 1,459,497 thousand, an increase of Euro 434,802 thousand compared to the previous year.

The breakdown of the account is as follows:

(in Euro thousands)	2022	2021
Raw material purchases	(1,448,027)	(1,020,889)
Consumables	(10,468)	(3,203)
Fuel	(931)	(603)
Change in inventories	(71)	0
Total	**(1,459,497)**	**(1,024,695)**

More specifically, “raw material purchases” in 2022 increased by Euro 427,138 thousand as a result of an increase in material purchases during the year for contracts obtained in previous years and for which we saw full operations and procurement. Other major recently acquired projects have also begun making greater progress than originally forecast following an acceleration from the initial stages of these projects, which mainly concerned planning and the start of procurement of critical materials.

"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, which in fact impacted all activities.

27.5. Service costs

Service costs in 2022 amounted to Euro 1,184,820 thousand, an increase of Euro 12,311 thousand on the previous year. The breakdown of the account is as follows:

(in Euro thousands)	2022	2021
Sub-contractors	(694,895)	(842,379)
Turnkey design	(175,065)	(144,555)
Cost recharges	(8,407)	(2,367)
Utilities	(19,330)	(9,555)
Transport Costs	(71,831)	(37,296)
Maintenance	(10,543)	(10,665)
Consultants and related services	(46,352)	(36,473)
Increase in internal work capitalized	15,662	24,051
Bank expenses and sureties	(40,356)	(38,398)
Selling & advertising costs	(11,939)	(10,406)
Accessory personnel costs	(41,284)	(27,249)
Post & telephone and similar	(595)	(462)
Insurance	(17,752)	(13,501)
Other	(62,130)	(23,252)
Total	**(1,184,820)**	**(1,172,509)**

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 2022 on-site operations continued, particularly on construction for the projects acquired in recent years, although at the same time work relating to Russian clients slowed or was suspended. This slowdown was 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 quarters.

“Sub-contractors” reported the largest decrease compared to the previous year (Euro 147,484 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” increased from the previous year due to both intensive shipments of materials to work sites and to a generalized increase in rates applied.

“Accessory personnel costs”, which mainly include travel expenses, increased as a result of the generalized return to full operations and the loosening of travel restrictions, all of which driven in part by the greater average size of the workforce compared to the previous year.

“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.

All the other costs are substantially in line or increased slightly compared with the previous year.

"Other" costs also rose, 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.

27.6. Personnel expense

Personnel expense in 2022 amounts to Euro 509,408 thousand, an increase of Euro 81,880 thousand compared to the previous year.

The breakdown of the account is as follows:

(in Euro thousands)	2022	2021
Wages and salaries	(387,994)	(323,485)
Social security charges	(90,725)	(77,686)
Post-employment benefits	(18,854)	(17,042)
Other costs	(11,836)	(9,315)
Total	**(509,408)**	**(427,528)**

Personnel numbers continued to increase in 2022, reaching 6,451 at December 31, 2022 (6,358 at December 31, 2021, an increase of 93). There were 1,473 new hires, which more than offset the 1,380 departures in the period. The latter largely related to the Russian Federation due to the gradual suspension of Group operations in the country, with management of the pre-sanctions projects and redirection of resources to other projects in portfolio.

The geographical areas most affected by this increase are:

• Italy & Rest of Europe, with an increase of 216 employees, of which 153 within Italy, mainly new hires in the Parent Company and the subsidiaries KT Kinetics Technology and Tecnimont; the workforce for the Green Energy business unit also continued its growth (+69) as a result of continued investment in this area of business, which remains a strategic priority for the Group.

The increase of 63 resources in the Rest of Europe is mainly attributable to the UK subsidiary MET T&S Limited (+25 resources), which continued to play its key role in international staffing for various Group projects. The remainder of the increase concerns the European branches – of Tecnimont and KT Kinetics Technology – in Croatia, Belgium and Poland to support ongoing EPC projects, confirming the European Union as strategically and operationally the most important region;

- Middle East, where employee numbers increased from 93 to 227 (+144% compared to the end of last FY), in line with the start of activities on the Borouge 4 Project in the United Arab Emirates and the beginning of the crucial phase of the APOC Project in Saudi Arabia;

- North Africa and Sub-Saharan Africa, with a 30% increase in headcount over the end of 2021, attributable to the gradual increase in local resources working on the PHRC Project in Nigeria;

- America, with a 64% increase over last year, mainly due to placements in Chile and the USA. Of note in this regard are the renewable activities in Chile, which highlight the Group's success and investment in this context and business sector.

It should be noted, compared to the previous year, the decrease of 339 resources in the Central Asia, Caspian and Turkey area where, in view of the continuation of the Russian-Ukrainian crisis and the suspension of Russian projects, the company's presence in the Russian Federation is limited to the mere management of work, with the operational resources involved having been employed on the other projects in the portfolio. In this regard, we note the completion of the Kstovo and Omsk projects and, as a result of the suspension of the AGCC project, the demobilization of the site team, in line with the company's strategy of gradually reducing its presence in the country, in relation to the projects under construction, and excluding possible new acquisitions in the Russian Federation.

Graduates at the Maire Tecnimont Group at December 31, 2022 accounted for 71% of the workforce; the average age was approx. 43.

With regard to gender composition, the Group's female workforce stands at 20%, 75% of whom are graduates. In this regard we note that of the total number of female hires in the year, those with university degrees exceeded 90%, confirming the continuity and progressive consolidation of the Group's investment in the increasing enhancement of the role of women and the preservation of the skills and professional assets possessed by this segment of the corporate population. This investment is part of a broader program of actively promoting an inclusive culture, which constitutes a distinctive and fundamental guideline of the Group's Human Resources management policy. This, in turn, is designed to create a corporate environment in which different personal and cultural characteristics and orientations represent a resource and a source of mutual enrichment.

The workforce at 31/12/2022 of the Maire Tecnimont Group, with movements (by qualification and region) on 31/12/2021 (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 31/12/2022 and 31/12/2021, with the relative movements.

Change in workforce by category (31/12/2021 - 31/12/2022):

Category	Workforce 31/12/2021	Hires	Departures	Reclassification employee category (*)	Workforce 31/12/2022	Cge. Workforce 31/12/2022 vs. 31/12/2021
Executives	679	15	(48)	12	658	(21)
Managers	2,415	298	(334)	134	2,513	98
White-collar	3,095	1,081	(968)	(144)	3,064	(31)
Blue-collar	169	79	(30)	(2)	216	47
Total	**6,358**	**1,473**	**(1,380)**	**0**	**6,451**	**93**
Average headcount	***6,162***				***6,457***	***295***

(*) 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 (31/12/2021 – 31/12/2022):

Region	Workforce 31/12/2021	Hires	Departures	Reclassification employee category (*)	Workforce 31/12/2022	Cge. Workforce 31/12/2022 vs. 31/12/2021
Italy & Rest of Europe	3,187	588	(387)	15	3,403	216
Central Asia, Caspian and Turkey	749	178	(515)	(2)	410	(339)
India, Mongolia, South East and rest of Asia, Australia	2,095	354	(338)	(12)	2,099	4
The Americas	28	23	(5)	0	46	18
Middle East	93	158	(23)	(1)	227	134
North Africa and Sub-Saharan Africa	206	172	(112)	0	266	60
Total	**6,358**	**1,473**	**(1,380)**	**0**	**6,451**	**93**

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

Changes in workforce by operational region (31/12/2021 – 31/12/2022):

Region	Workforce 31/12/2021	Workforce 31/12/2022	Cge. Workforce 31/12/2022 vs. 31/12/2021
Italy & Rest of Europe	2,882	3,154	272
Central Asia, Caspian and Turkey	986	567	(419)
India, Mongolia, South East and rest of Asia, Australia	1,990	2,006	16
The Americas	33	56	23
Middle East	143	290	147
North Africa and Sub-Saharan Africa	324	378	54
Total	**6,358**	**6,451**	**93**

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.

The increase in personnel expense is, therefore, due to an increase in the average workforce compared to the previous year, as well as to a recovery in remuneration policies in 2022. In this regard, it should be noted that the average workforce in 2022 numbered 6,457 employees compared to 6,162 to the previous year.

The same period of the previous year also included the proceeds related to the previous 2019-2021 LTI plan, the objectives of which could no longer be achieved, and this helped to reduce personnel expense.

In 2022 the objectives related to the previously activated incentives and engagement systems were verified and a portion of annual bonuses (MBOs), profit sharing for 2021, and the flexible benefits portion of the MAIRE4YOU Plan for the same period were distributed.

We also note that, having verified the achievement of the Second Cycle (2021) performance objectives included in the ordinary 2020-2022 General Share Plan, the Board of Directors met on May 25 to approve the allocation of shares to more than 4,000 beneficiaries.

"Personnel expense" also includes in 2022 the portion of the long-term incentive plan dedicated to the Chief Executive Officer and selected Senior Executives (LTI 2021-2023), to the first year of the new LTI referring to the three-year period 2022-2024 (LTI Plan 2022-2024), aimed at ensuring the continuation of the sustainable value growth path pursued in previous years, and to the third Cycle (year2022) of the 2020-2022 General Share Plan.

The aforementioned 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 in 2022 amount to Euro 12,637 thousand; also based on the fair value of the equity instruments of Euro 3.726 per share for the LTI 2021-2023, Euro 2.554 per share for the LTI 2022-2024, and Euro 2.418 per share for the 2020-2022 General Share Plan 2020-2022.

"Personnel expense" also includes the estimated charges related to the short-term monetary incentive plans ("MBO"), plans to employees of flexible benefits ("Maire4You") and the estimated participation bonus for 2022.

In 2022, the Parent Company also continued, with dedicated initiatives, to provide guidance and support to the operating companies, through the definition of Remuneration Policy guidelines based on the recognition of merit and best performance, in compliance with principles of aligning remuneration levels in terms of internal equity between organizational positions and external competitiveness with respect to local markets, while also taking into account the dynamics related to inflation trends. The Parent Company also supported the companies in the management of the Remuneration Policy processes implemented during the year, asking them to continue the action of focusing compensation interventions on the professional skills that are particularly exposed to the risk of possible expressions of interest from competitors and/or that have distinguished themselves by performance levels above expectations. In this regard, it is worth noting the introduction in December of a new project for the evaluation of organizational positions and salary benchmarking for the Indian market, in order to analyze the particular attrition in the sector and identify intervention actions aimed at the retention of professional staff in the company.

27.7. Other operating costs

Other operating costs in 2022 amounted to Euro 100,681 thousand, an increase of Euro 34,363 thousand compared to the previous year. The breakdown of the account is as follows:

(in Euro thousands)	2022	2021
Contractual penalties	(12,083)	(14,348)
Rental	(12,529)	(8,849)
Hire	(21,855)	(17,926)
Losses on receivables	(10,313)	(2,572)
Other costs	(43,901)	(22,622)
Total	**(100,681)**	**(66,318)**

"Contractual penalties" essentially relates to a charge following a dispute concluded in the first half of 2022.

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 increase in 2022 is due to higher travel expenses for personnel with related increased short-term accommodation costs, mainly concerning on-site activities, all of which is chiefly a consequence of the significant restart of activities following acquisitions in 2021.

The account "Hire", which also increased on the previous year for the same reasons, 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 "Doubtful debt provision" relates principally to an assessment on the collectability of receivables relating to existing infrastructure initiatives and also some disputes closed in the year.

"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. This aggregate increased mainly in response to an increase in taxes related to certain types of services on contracts recently acquired abroad.

"Other costs" also includes a financial contribution of Euro 50 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 2022 amount to Euro 48,165 thousand, an increase of Euro 6,978 thousand compared to the previous year due to higher amortization on intangible assets.

The breakdown of the account is as follows:

(in Euro thousands)	2022	2021
Amortization	(17,709)	(12,572)
Depreciation	(5,848)	(4,984)
Depreciation of rights-of-use - Leasing	(24,608)	(23,626)
Other fixed asset write-downs	0	(5)
Total	**(48,165)**	**(41,186)**

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 1,966 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 1,125 thousand and principally relating to Group software license applications;
- amortization of other intangible assets, amounting to Euro 8,177 thousand (up Euro 3,266 thousand on the previous year) and essentially relating to new assets entering production. This account principally refers to accessory and consultant costs incurred for the installation of the principal software applications of the Group and digital development of EPC activities as part of the Group's digitalization process; the account also includes the amortization of the University of Florence's "Birillo" university campus concession initiative of the subsidiary Birillo 2007 Scarl;
- amortization of the contractual costs, equal to Euro 6,347 thousand, up Euro 1,914 thousand on the previous year following the addition to amortization of the costs related to the acquisitions made in the previous year; "Contractual costs" include costs for the obtaining of contracts and contract fulfilment costs, recognized 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 674 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 1,507 thousand, an increase of Euro 410 thousand on the previous year, relating to industrial equipment for Euro 247 thousand (assets supporting site operations), principally for 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 3,420 thousand on other assets, office furniture, leasehold improvements, EDP, motor vehicles and industrial transport vehicles, increasing Euro 392 thousand on the previous year;

The depreciation of right-of-use - leasing of Euro 24,608 thousand, an increase of Euro 982 thousand on the previous year, was recognized in accordance with IFRS 16 standard and mainly concerns the usage rights recognized on the buildings hosting the Group offices and at various work sites, 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 2022 amount to Euro 3,163 thousand, an increase of Euro 576 thousand compared to the previous year.

The breakdown of the account is as follows:

(in Euro thousands)	2022	2021
Doubtful debt provision	(3,163)	(2,587)
Charges provision	0	0
Total	**(3,163)**	**(2,587)**

The doubtful debt provision in the year amounts to Euro 3,163 thousand, increasing on the previous year. In 2022, this provision reported an increase in allocations in response to the significant economic and financial tensions surrounding the Russia-Ukraine crisis, which has had an impact on customer credit ratings, resulting in a generalized worsening of counterparty risk and consequent impact on the measurement of financial assets; in addition at December 31, 2022, there was a higher receivable balance than in the previous year with further consequence on higher provisions.

In addition to the assessments of the collectability of receivables and in accordance with IFRS 9 concerning impairment models, the Group estimated losses on receivables using the expected loss model based on supporting information available without undue effort or burden, which includes actual data and forecasts and was essentially obtained from information providers that, when quantifying expected losses at the closure date, incorporate the effects of the Russia-Ukraine war.

27.10. Financial income

(in Euro thousands)	2022	2021
Income from associates	49	20
Other income	17,562	8,655
Income on derivatives	2,456	11,780
Total	**20,066**	**20,454**

Financial income amounted to Euro 20,066 thousand and decreased Euro 388 thousand compared to the previous year, mainly due to lower positive effects from the valuation of some derivatives offset by greater interest income recorded on liquidity.

"Income from associates" for Euro 34 thousand concerns interest from the associate JV Kazakhstan Tecnimont-KTR LLP, incorporated to develop initiatives in the country with a strategic partner and for Euro 15 thousand from the Gulf Compound Blending Ind Ltd.

"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. Interest income increased on the previous year due to higher levels of liquidity held compared to the previous year and higher interest applied on funds held compared to the previous year.

Income on derivatives for Euro 2,456 thousand refer specifically to:

- for Euro 1,445 thousand, the positive "time-value" portion of derivative instruments hedging exchange rates of future flows associated with contract revenues and costs, mainly on the US dollar. As not considered a hedging component, the change to the fair value is recognized to the income statement. This component was affected by swap point movements (differences between Eurozone and US interest rates);

- for Euro 1,011 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.

27.11. Financial expenses

(in Euro thousands)	2022	2021
Other charges	(32,821)	(21,958)
Interest/Other Bond Charges	(4,933)	(4,899)
Charges on derivatives	(8,996)	(1,765)
Right-of-use financial expenses - Leasing	(4,340)	(5,239)
Warrant financial expenses	(24)	(272)
Total	**(51,115)**	**(34,132)**

Financial expenses amounted to Euro 51,115 thousand and increased Euro 16,983 thousand compared to the previous year, principally due to the increased negative impacts from the valuation of derivatives and an increase in financial expense.

"Other charges", amounting to Euro 32,821 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. The increase compared to the previous year is related to an increase in gross debt as a result of the increased use of lines of working capital to support short-term needs within the scope of managing the working capital of certain projects; further increases are related to a general increase in market interest rates that have affected the Group's financial liabilities.

The "Bond interest" charges, amounting to Euro 4,933 thousand, decreased compared to the previous year and specifically refer to:

- for Euro 4,738 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 195 thousand interest related to the Euro Commercial Paper Program.

Charges on derivatives for Euro 8,996 thousand refer specifically to:

- for Euro 5,543 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 was affected by swap point movements (differences between Eurozone and US interest rates);

- for Euro 3,454 thousand refer to the negative fair value change of the residual portion of four 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, 2022 hedged the risk relating to approx. 10.6 million shares. The derivative contracts (TRES) were underwritten with two financial intermediaries, 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. 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 cost related to the TRES is due to the unfavorable trend in the Maire Tecnimont stock price in 2022 in response to the situation that came about on the currency markets in response to the international tensions surrounding the Russia-Ukraine crisis and to market uncertainty, which had a negative impact on the share price, although constantly improving over the quarters in 2022.

Right-of-use - Leasing financial expense at Euro 4,340 thousand concerns the financial expense matured in 2022 on finance lease liabilities recognized in accordance with IFRS 16; the reduction on the previous year is mainly due to the average decrease in 2022 in financial liabilities on which interest matures.

Warrant financial charges for Euro 24 thousand 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)	2022	2021
Income/Charges from investments in subsidiaries	922	0
Income from investments in other companies	1,652	418
Revaluations/(Write-downs) associates	(405)	(2,776)
Revaluations/(Write-downs) other companies	(2)	(4)
Revaluations/(Write-downs) current securities	(10)	(84)
Total	**2,157**	**(2,446)**

Net investment income amount to Euro 2,157 thousand, an improvement of Euro 4,603 thousand compared to the previous year.

The net balance on investments in subsidiaries is a consequence of the reduction in the value for Euro 6 thousand of the unconsolidated equity investment in Consorzio Stabile MST S.c.a.r.l. arising from the ongoing liquidation process; for Euro 29 thousand in relation to the non-consolidated equity investment in Tecnimont Iberia following the conclusion of the liquidation process and cancellation of the company, effects offset by the liquidation of Gasco, which instead had a positive impact of Euro 958 thousand.

Income from investments in other companies totaling Euro 1,652 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 decreased by Euro 118 thousand;
- the equity investment in G.C.B. General Trading Ltd increased by Euro 35 thousand;
- the equity investment in Studio Geotecnico S.r.l. decreased by Euro 178 thousand;
- the equity investment in the JV Kazakhstan Tecnimont-KTR LLP reduced by Euro 185 thousand;
- the equity investments in the Moi Olympic Village and FEIC Consortium decreased by Euro 3 thousand and Euro 5 thousand, respectively, following the conclusion of the liquidation process and cancellation;
- the equity investment in Biolevano S.r.l. increased by Euro 51 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 cancellation of Tecnosanità S.c.a.r.l.

"Write-down of securities" amounted to Euro 10 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)	2022	2021
Current income taxes	(32,250)	(38,350)
Prior year taxes	(323)	1,231
Deferred tax income	3,726	5,209
Deferred taxes	(9,897)	(1,453)
Total	**(38,744)**	**(33,364)**
TAX RATE	*-30.0%*	*-29.3%*

Estimated income taxes amount to Euro 38,744 thousand, an increase of Euro 5,380 thousand, mainly due to higher pre-tax income compared to the previous year, driven by the operating performance in 2022.

The effective tax rate was approx. 30%, in line with all the quarters throughout 2022, based on the various countries in which Group operations are carried out.

The tax rate in the previous year had been positively affected by the effect of the recognition of deferred tax assets following the exercise of the option to realign the tax value of certain business assets to the higher carrying amount recorded in the financial statements, as provided for in Decree-Law 104/2020, Article 110, against which the Group paid in the previous year and in 2022 two of the three instalments due of substitute tax.

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.

The net amount of deferred tax income reflects the effect of the recognition of deferred tax assets computed in the year on temporary changes deductible in future periods, mainly on provisions for future personnel-related expenses and unrealized foreign exchange losses during 2022; the deferred tax charge refers to temporary differences that will be taxable in future periods mainly related to unrealized foreign exchange gains during 2022 and due to differences in the accounting standard, mainly in relation to the subsidiary MT Russia.

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 2022 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 109,297 treasury shares, the number of shares in circulation was 328,531,135. This figure was used as the denominator for the calculation of the earnings per share at December 31, 2022.

Basic earnings per share, net of treasury shares, amounts to Euro 0.274 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 2022.

(in Euro)	2022	2021
Number of shares in circulation	328,640,432	328,640,432
(Treasury shares)	(109,297)	(197,346)
Number of shares to calculate earnings per share	328,531,135	328,443,086
Group net income	89,889,924	83,301,168
Earnings per share (Euro)		
Group basic earnings per share	**0.274**	**0.254**
Group diluted earnings per share	**0.274**	**0.254**

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)	2021	Changes in year	2022
Land	4,175	(1,265)	2,910
Buildings	24,539	(330)	24,210
Plant & machinery	5,984	425	6,409
Assets in progress and advances	346	178	523
Industrial and commercial equipment	703	744	1,446
Other assets	8,881	(295)	8,585
Total	**44,627**	**(543)**	**44,084**

The following table illustrates the changes in the historical cost, accumulated depreciation and net book values for the year 2022:

(in Euro thousands)	Land	Buildings	Plants & equipment	Industrial and commercial equipment	Other assets	Assets in progress and advances	Total
Net book value at December 31, 2021	**4,175**	**24,539**	**5,984**	**703**	**8,881**	**346**	**44,627**
Increases	0	468	1,756	73	3,006	360	5,663
Disposals	0	0	(1)	(72)	0	0	(73)
Depreciation	0	(674)	(1,507)	(247)	(3,420)	0	(5,848)
Cost reclassification/adjustments	(1,250)	(94)	183	0	0	(183)	(1,344)
Change to consolidation scope	0	0	0	924	0	0	924
Revaluations/(Write-downs)	0	0	0	0	0	0	0
Other changes	(15)	(28)	(6)	65	118	0	134
Net book value at December 31, 2022	**2,910**	**24,210**	**6,409**	**1,446**	**8,586**	**524**	**44,084**
Historical cost	2,910	34,202	14,801	4,324	51,531	523	108,292
Accumulated depreciation	0	(9,992)	(8,392)	(2,878)	(42,945)	0	(64,208)

The changes in the year mainly refer to depreciation for the year, net of some office equipment acquisitions and work related to the production site of MyReplast Industries S.r.l..

The principal changes related to:

- Land, with a net decrease of Euro 1,265 thousand, of which Euro 1,250 thousand relates to a reclassification to Inventories of land previously used for contract activities, now completed and being divested; the remaining decrease is a consequence of the conversion of items in foreign currency;
- Buildings, with a net decrease of Euro 330 thousand, due to the effect of depreciation for the year and the conversion of items in foreign currencies; there was also an increase related to expansion activities for a warehouse of MyReplast Industries S.r.l.;
- Plant and machinery, with a net increase of Euro 425 thousand, mainly due to purchases of specific plants for the production plant of MyReplast Industries S.r.l. and residually other purchases of small construction site machinery; decreases are due to depreciation for the year;

- Industrial and commercial equipment, with a net increase of Euro 744 thousand, due to the change in the consolidation scope in connection with the purchase of 51% of Tecni and Metal Private Limited, an Indian company that carries out construction activities and specifically mechanical and piping work for Oil & gas, petrochemical and fertilizer plants; the decreases are due to depreciation for the year;
- Other assets, with a net decrease of Euro 295 thousand due to depreciation in the year; the increases are mainly due to leasehold improvements, office furniture and EDP;
- Fixed assets in progress, amounting to Euro 523 thousand, mainly refers to leasehold restructuring works which have not yet been completed.

For comparative purposes the changes relating to the previous year are shown below:

(in Euro thousands)	Land	Buildings	Plants & equipment	Industrial and 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**
Historic 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)

28.2. Goodwill

(in Euro thousands)	2021	Changes in year	2022
Goodwill	294,321	1,048	295,368
Total	**294,321**	**1,048**	**295,368**

This account, amounting to Euro 295,368 thousand, increased by Euro 1,048 thousand in 2022.

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.;
- for Euro 1,048 thousand the acquisition in 2022 of 51% of Tecni and Metal Private Limited, an Indian company engaged in construction and specifically mechanical and piping work for Oil & gas, petrochemical and fertilizer plants.

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.

CGUs were identified with uniform criteria compared to the previous year, also in line with that undertaken for the representation of operating segments. However, during the year, following the merger of Neosia Renewables S.p.A and the broader rationalization of the Group's business, a portion of the "Renewables & Infrastructure" CGU was merged with the "Hydrocarbons" CGU following the assignment to Tecnimont S.p.A. of all the elements, assets and resources pertaining to the "Renewables Energy Division", in order to execute these activities as part of the EPC projects of the Hydrocarbonsdivision.

In December 2022, the Shareholders' Meetings of Neosia Renewables S.p.A. and Tecnimont S.p.A. approved the merger plan, which then became effective on February 20, 2023.

Neosia Renewables S.p.A. had specific expertise in the design and construction of advanced power plants for power generation from renewable sources such as wind, solar (photovoltaic), biomass and advanced sources in order to meet the specific demands of the renewables energy market.

The merger and allocation of a part of the "Renewables & Infrastructure" CGU is due mainly to the current market dynamics in which the Group operates, and in particular Tecnimont, and in the size and quality of the current backlog and the commercial offers in progress.

The Group provides its clients with a wide range of technological solutions in order to also meet the sustainability goals; The Group therefore promotes, among other matters, the use of "renewable components" in traditional Oil&Gas and petrochemical plants designed and built by Tecnimont.

The growing size and complexity of the EPC (Engineering, Procurement and Construction) projects in the portfolio and, in particular, of those that are currently part of Tecnimont's commercial pipeline, in addition to the ever-increasing requests from clients to functionally integrate the solutions offered by the Group in the "renewable energy" sector (i.e., photovoltaic and/or wind farm) into the design and construction of "traditional" plants, confirms the need to strengthen Tecnimont's internal organization through the inclusion of specific skills that previously were covered by Neosia. These skills, thus internalized, will make the design and execution of increasingly complex projects even more integrated and efficient, ensuring the involvement of resources with the specific technical skills required for this purpose from the bidding stage onward.

On the other hand, with regard to the ongoing global initiatives in the area of "renewable energy" and, in particular, of those having as their object the construction of large-scale plant (mainly solar and wind), intended for the production not only of energy but also of vectors such as hydrogen for subsequent use in integrated production cycles, we report the consolidation of the trend already emerging in recent years that sees the assignment of such projects to industrial groups equipped not only with specific technical skills but also with major organizations dedicated, almost exclusively, to such projects. In this context, Neosia's lean structure did not appear to fully meet the demands of the current market. The integration with Tecnimont will, therefore, enable Neosia's specific technical skills to be enhanced in accordance with the Group's core business.

The table below summarizes the value of goodwill allocated by sector:

(in Euro thousands)	2021	Changes in year	2022
Hydrocarbons	254.0	22	276.4
Renewables & Infrastructure	35.6	(21)	14.2
Green Energy	1.4	0	1.4
Licensing	3.4	0	3.4
Total	**294.3**	**1**	**295.4**

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.

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. **‘Infrastructure’ CGU,** operates in the field of 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. **‘Green Energy’ CGU**, 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.

As a result of the general market conditions, the Group – which has been significantly affected by the consequences of international geopolitical tensions and the ongoing effects of the COVID-19 pandemic – has paid special attention to the balance sheet accounts impacted by the uncertain situation and has consequently updated the related estimates.

The analysis of the recoverability of the goodwill and the other tangible and intangible fixed assets was undertaken in conjunction with an independent expert, utilizing the cash flows based on the 2023 Budget and the 2023-2032 Business Plan approved by the Board of Directors on March 1, 2023. The explicit plan period was assumed to be 10 years in view of the expected growth prospects of the market in which the Group operates, particularly in relation to energy transition activities.

Changing market conditions, rising interest rates, heightening inflation, uncertainty surrounding the general rise in the price of major raw materials, their availability, transportation logistics, and procurement in some markets, has led the Group to update its short-term operating and financial forecasts by means of the 2023 Budget, and to update its Business and Financial Plan.

The assumptions and strategic assumptions underlying the Group's plan update reflect Management's best estimates of the key assumptions underlying business operations, including assessments of international geopolitical tensions.

The underlying assumptions and the corresponding financials take into account the various scenarios summarized in the plan update and are considered appropriate for the impairment test; the analysis was conducted with the support of an independent expert.

The principal assumptions reflected in the 2023 Budget and Business Plan take into account the elevated order backlog existing at December 31, 2022, which also features a more diverse geographic spread than in the recent past.

The market environment is expected to remain challenging, although against a backdrop of rising natural resource prices stemming from a strong recovery in demand for energy, in addition to the Russian-Ukrainian crisis. In this environment, the drive towards transformation infrastructure investment continues, supported by buoyant demand for the various commodities globally and with prices for these products at historic highs, also as a result of the absence, particularly on western markets, of production from plants located in countries affected by the current conflict.

The update of the Group's operating/financial forecasts, given the current uncertainties and as a precautionary measure, excludes future Russian opportunities over the plan period, and at the same time considers a significant increase in the commercial pipeline in those regions where supply no longer met by Russian production will be concentrated. It is also noted that as a result of the additional sanctions against the Russian Federation, it has become almost impossible to continue activities even on those projects that were previously suspended. As a result, the residual value of the relative projects has also been eliminated from the Backlog.

Energy transition activity forecasts are also reflected in the 2023 Budget and Business Plan. The drive to cut its carbon footprint 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 close focus continues on the industrialization of new proprietary technologies in the circular economy, bioplastics/biofuels, CO_2 capture, hydrogen and green fertilizers sectors.

Finally, the approved 2023-2032 Business Plan also includes ESG (environmental, social and governance) sustainability indicators in relation to the United Nations Sustainable Development Goals; within the Plan, the material topics that formed the basis for updating the "Group Sustainability Plan" were identified and prioritized according to the various business lines and the relative Sustainable Development Goals ("SDGs"). In this way, the Plan links operating-financial and sustainability objectives, allowing for integrated strategic planning. For further details on climate change risk, please refer to the “Risks and uncertainties" section of the Directors’ Report.

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.

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 calculation of the recoverable value, the income streams refer to the business planning period, as well as a Terminal Value; specifically, for the "Licensing" and "Green Energy" CGUs, which are most engaged in the activities related to the energy transition, the explicit period of 10 years was considered, while for the other CGUs the explicit period of 5 years was considered. 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 of the explicit 5-year plan for the "Hydrocarbons" and "Infrastructure" CGU’s and of the last 5 years for the 10-year plan of the "Licensing" and "Green Energy" CGUs were considered.

The “normalized” cash flow was then capitalized considering a growth rate between an interval of 0% and 5.2% for the “Hydrocarbons” CGU, between 0% and 7.9% for the “Licensing” CGU, between 0% and 0.8% for the “Infrastructure” CGU and between 0% and 2.0% 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 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 6 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 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 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 1.2 percentage points for the “Hydrocarbons”, “Licensing” and “Green Energy” units and by 3.1 percentage points for the “Infrastructure” CGU.

These analyses, based on the currently available information, did not point to critical issues concerning application of the policies adopted in preparing the financial statements, nor impairment losses on the amounts recognized; In fact, 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.

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	9.8%	11.8%
Infrastructure CGU	10.3%	12.3%
Green Energy CGU	11.0%	13.0%
Licensing CGU	10.9%	12.9%

Growth rate beyond plan period	Lower extreme	Higher extreme
Hydrocarbons CGU	0%	5.2%
Infrastructure CGU	0%	0.8%
Green Energy CGU	0%	2.0%
Licensing CGU	0%	7.9%

The results of these sensitivity analyses did not highlight any impacts on the values recorded by the Hydrocarbons, Licensing, Infrastructure and Green Energy CGU's.

A test was carried out according to the previous and current scope of the Infrastructure sector, without indicating any impairments. Where not including a portion of the "Renewables & Infrastructure" CGU in the "Hydrocarbons" CGU, this method would not indicate any impairment.

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)	2021	Changes in year	2022
Development costs	285	(100)	186
Patent rights	24,442	375	24,817
Concessions, licenses, trademarks and similar rights	2,061	(110)	1,951
Other	35,796	479	36,275
Assets in progress and advances	24,826	7,708	32,534
Contractual costs	14,141	421	14,562
Total	**101,551**	**8,773**	**110,324**

The following table illustrates the changes in the historical cost, accumulated depreciation and net book values for the year 2022:

(in Euro thousands)	Development costs	Patent rights	Concessions, licenses, trademarks and similar rights	Other	Assets in progress & advances	Contractual costs	Total
Net book value at December 31, 2021	**285**	**24,442**	**2,061**	**35,796**	**24,826**	**14,141**	**101,551**
Increases	0	2,193	1,017	1,743	14,736	6,931	26,620
Disposals	0	0	0	(5)	0	0	(5)
Depreciation	(93)	(1,966)	(1,125)	(8,177)	0	(6,347)	(17,709)
Cost reclassification/adjustments	0	141	0	6,887	(7,028)	0	0
Change to consolidation scope	0	0	0	0	0	0	0
Revaluations/(Write-downs)	0	0	0	0	0	0	0
Other changes	(8)	6	(3)	31	0	(163)	(137)
Net book value at December 31, 2022	**186**	**24,817**	**1,951**	**36,275**	**32,534**	**14,562**	**110,324**
Historic cost	621	43,573	18,786	84,296	32,534	70,194	250,003
Accumulated depreciation	(435)	(18,756)	(16,834)	(48,021)	0	(55,632)	(139,679)

The value of the other intangible assets at December 31, 2022 amounted to Euro 110,324 thousand, with an increase of Euro 8,773 thousand compared to December 31, 2021; this increase mainly derives from the combined effect of technological investments and development, 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 100 thousand, principally due to amortization in the year;
- Patent rights, with a net increase of Euro 375 thousand, with the changes mainly referring to 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 110 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 assets, with a total net increase of Euro 479 thousand, mainly as a result of the reclassification from fixed assets in progress of projects completed under the Digital Transformation program, implementation of operational software which entered into use during 2022 and also the finalization of the Demeto demonstration plant for chemical recycling of PET and Polyester from fabrics by NextChem S.p.A.

  The account also includes the University of Florence's "Birillo" university campus concession initiative of the subsidiary Birillo 2007 Scarl;
- "Assets in progress and advances", with a net increase of Euro 7,708 thousand; the account mainly includes new software and relative installations still in progress for procurement and initiatives related to the Digital Transformation program undertaken by the Group and the development of an integrated range of digital services for clients, in addition to activities relating to the SAP environment; for further details, please refer to the "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 and Stamicarbon.
- "Contractual costs", equal to Euro 14,562 thousand and with a net increase of Euro 421 thousand, include costs for the obtaining of contracts and contract fulfillment costs, accounted 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	Patent rights	Concessions, licenses, trademarks and similar rights	Other	Assets in progress and 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**
Historic 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)

28.4. Right-of-use - Leasing

(in Euro thousands)	2021	Increases	Decreases	Depreciation for the year	Other changes	2022
Right-of-use - Leasing - Historical cost	189,987	48,617	(32,672)	0	657	206,589
(Right-of-use - Leasing - Accumulated depreciation)	(63,466)	0	14,836	(24,608)	(325)	(73,563)
Total	**126,520**	**48,617**	**(17,835)**	**(24,608)**	**332**	**133,027**

The value of Right-of-use recognized according to IFRS 16 at December 31, 2022 was Euro 133,027 thousand, increasing on December 31, 2021 by Euro 6,506 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:

During the year, considering the Covid-19 emergency, no renegotiations of contractual terms of lease contracts or supports from lessors occurred.

(in Euro thousands)	2021	Changes in year	2022
Land	21	57	78
Buildings	117,113	3,241	120,354
Plant & machinery	1,068	(1,068)	0
Other assets	8,319	4,276	12,595
Total	**126,520**	**6,506**	**133,027**

28.5. Investments in associates and Joint Ventures

(in Euro thousands)	2021	Changes in year	2022
Investments in associates:			
• Studio Geotecnico Italiano	1,100	(146)	954
• MCM servizi Roma S.c.a.r.l. in liquidation	4	0	4
• Desimont Contracting Nigeria (*)	0	0	0
• JV TSJ Limited (*)	41	(41)	0
• Villaggio Olimpico Moi S.c.a.r.l. in liquidation	3	(3)	0
• FEIC Consortium in liquidation	5	(5)	0
• Tecnimont Construction Co WLL-Qatar	15	0	15
• HIDROGENO CADEREYTA – S.A.P.I. de C.V. (*)	0	0	0
• Biolevano S.r.l.	12,366	51	12,416
• Kazakhstan JV Tecnimont-KTR LLP (*)	0	0	0
• Gulf Compound Blending Ind Ltd	86	175	261
• G.C.B. General Trading Ltd	177	33	210
• SMC S.c.a.r.l.	0	20	20
• Hazira Cryogenic Eng.&Cons Management Pvt. Ltd.	113	(5)	108
Total	**13,910**	**78**	**13,988**

(*) The investment was completely written down and a provision for accumulated losses is recorded under provisions for risks and charges.

During 2022, the following changes took place in the investments held in associates and joint ventures following their valuation at equity, their results and/or the purchase of additional shareholdings:

- the holding in Studio Geotecnico S.r.l. reduced by Euro 146 thousand following the negative equity valuation of Euro 178 thousand, net of an increase of Euro 32 thousand for the purchase of an additional stake in Studio Geotecnico Italiano S.p.A. ("SGI") equal to 1.44296% of the entire share capital. Consequently, as of that date, Tecnimont S.p.A. has a total holding in the share capital of SGI of 46.08556%;
- The consortium SMC S.c.a.r.l. was established for specific modernizations to energy systems for a number of healthcare facilities; the Group holds a 20% stake in the consortium on an initial contribution of Euro 20 thousand;
- the investment in Gulf Compound Blending Ind Ltd overall increased by Euro 175 thousand as a result of the negative equity valuation of Euro 118 thousand, net of a share capital increase of Euro 293 thousand;
- the investment in G.C.B. General Trading Ltd increased by Euro 33 thousand;
- the investment in the JV TSJ Limited decreased Euro 41 thousand following its valuation at equity;
- the equity investments in the Moi Olympic Village and FEIC Consortium decreased by Euro 3 thousand and Euro 5 thousand, respectively, following the conclusion of the liquidation process and cancellation;
- the equity investment in Hazira Cryogenic decreased by Euro 5 thousand as a result of currency effects.
- the equity investment in Biolevano S.r.l. increased by Euro 51 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 Maire Tecnimont 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 in the proceedings at the Court of Pavia on alleged unlawful conduct is still in progress; the Public Prosecutor notified the indicted parties (Directors and Executives of Biolevano S.r.l.) and the company Biolevano S.r.l. of the conclusion of the investigation. Thus far, the prosecution has yet to call for the acquittal or indictment of the subjects of the investigation.

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 No. 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, 2021 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. A public hearing on the merits was subsequently set for May 24, 2022, on whose outcome the case was retained for decision. In ruling No. 654 1/2022, the Council of State rejected Biolevano's appeal and upheld the first instance ruling. Given that the delay of the appeal that resulted in the inadmissibility of the application occurred when Biolevano was under judicial administration, on September 12, 2022, the company sent to the various responsible parties (i.e. Ministry of Justice, Pavia Court, Pavia Public Prosecutor's Office, judicial administration and appointed counsel) a letter of warning and formal notice, reserving all actions for compensation for the damage suffered.

As a result, the GSE continues not to pay. The last payment received was for the incentive due for virgin biomass power generation with multiplication coefficient 1.3 related to February 2021 and the incentive with multiplication coefficient 0.5 related to the year 2018. The 0.5 incentive with multiplication coefficient for the year 2019 has been quantified by Mipaaf but not disbursed by the GSE, while for the 0.5 incentives with multiplication coefficient for the years 2019, 2020 and 2021, Mipaaf has not yet carried out the inspection visits that are a precondition for the quantification and subsequent payment of them.

The increase in the price of gas on international markets, emerging in 2021, has gained strength following the war between Russia and Ukraine and the related imposition of sanctions by several Western countries against Russia. Rising gas prices have been passed on to electricity prices, which have reached record levels. The impact on energy producers has been such that biomass energy producers, such as Biolevano, have been transformed from companies that needed public incentives in order to survive economically to companies included among those subject to the "windfall tax". The average price of electricity in 2022 was significantly in excess of Euro 180 per MWhel, which is the maximum level for incentives to accrue to biomass energy producers. In the coming year, therefore, neither Biolevano nor other producers in the sector will benefit from incentives (neither 1.3 nor 0.5), as the average price in 2022 will be higher than the maximum allowed price of 180 Euro MWhel. Due to that outlined above, the lack of incentives is not currently expected to pose problems for the operation of biomass energy companies, including Biolevano S.r.l., as the price of energy is expected to remain well above production costs.

The breakdown of associates and joint ventures is as follows:

Company	Location/	Currency	Share capital	% Group	Through:	%
Studio Geotecnico Italiano	Italy	EUR	1,550,000	46.086%	Tecnimont S.p.A.	46.086%
MCM servizi Roma S.c.a.r.l. in liquidation	Italy	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%
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.	Italy	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%
SMC S.c.a.r.l.	Italy	ITA	100,000	20.00%	MST S.p.A.	20.00%
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:

2022 KEY FINANCIAL HIGHLIGHTS

(in Euro thousands)	Studio Geotecnico (*)	TSJ Limited (*)	Biolevano S.r.l. (*)	G.C.B. General Trading Ltd (*)	Gulf Compound Blending Ind Ltd (*)
NON-CURRENT ASSETS	72	0	34,535	0	7,904
CURRENT ASSETS	3,985	189	29,919	3,195	52
FINANCIAL ASSETS	1,449	2,139	5,061	419	80
TOTAL ASSETS	**5,506**	**2,328**	**69,516**	**3,614**	**8,036**
EQUITY	2,020	74	41,387	500	697
NON-CURRENT LIABILITIES	435	0	663	0	256
CURRENT LIABILITIES	2,229	2,254	5,899	536	3,572
FINANCIAL LIABILITIES (current and non-current)	822	0	21,567	2,578	3,511
TOTAL EQUITY AND LIABILITIES	**5,506**	**2,327**	**69,516**	**3,614**	**8,036**
REVENUES	3,017	0	36,343	11,271	148
EBITDA	78	-417	3,828	123	32
TOTAL COMPREHENSIVE INCOME	29	-417	228	5	-240

(*) figures for FY 2022 are still being approved.

RECONCILIATION WITH THE BOOK VALUE OF THE INVESTMENT

(in Euro thousands)	Studio Geotecnico	TSJ Limited	Biolevano S.r.l.	G.C.B. General Trading Ltd	Gulf Compound Blending Ind Ltd
GROUP SHARE	46.1%	55.0%	30.0%	37.5%	37.5%
EQUITY SHARE	931	41	12,416	188	261
OTHER ADJUSTMENTS (*)	23	-41	0	22	0
BOOK VALUE OF THE INVESTMENTS	**954**	**0**	**12,416**	**210**	**261**

(*) "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)	2021	Changes in year	2022
Financial instruments - Currency hedging derivatives	16,052	(15,734)	317
Financial instruments - Interest rate hedging derivatives	548	3,443	3,991
Total	**16,600**	**(12,292)**	**4,308**

Non-current derivative financial instrument assets at December 31, 2022 amount to Euro 4,308 thousand, a decrease of Euro 12,292 thousand compared to December 31, 2021 and concern the fair value measurement of the derivative contracts in force.

The account for Euro 317 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; the positive mark-to-market will be set off against future operating cash flows of a similar amount. The changes are a consequence of exchange rate movements, mainly of the US Dollar against the Euro, during 2022 due to the situation arising on the foreign exchange markets following the emergence of international tensions related to the Russia-Ukraine crisis, and in the financial markets due to rising interest rates, resulting in a strengthening of the US Dollar against the Euro, which impacted the mark-to-market valuation of the derivative instruments entered into to hedge the orders. There were also closures of some currency risk hedging instruments during 2022.

The interest rate derivatives, amounting to Euro 3,991 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); the increase in positive fair value is related to market performance in the reporting period in relation to expectations of rising interest rates.

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)	2021	Changes in year	2022
Equity investments:			
Subsidiaries	110	(31)	79
Other companies	12,811	1,305	14,115
Total Investments	**12,920**	**1,274**	**14,194**
Financial receivables from associates	0	0	0
Other financial assets	45,658	57,137	102,795
Total Financial Receivables	**45,658**	**57,137**	**102,795**
Total	**58,578**	**58,411**	**116,989**

The value of non-current financial assets included in the calculation of the net financial position is Euro 109,032 thousand and does not include the value of the strategic investment in Pursell Agri-Tech, LLC.

INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES:

(in Euro thousands)	2021	Changes in year	2022
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. in liquidation	25	(25)	0
• Consorzio Stabile MST S.c.a.r.l. in liquidation	9	(6)	3
• Tecnimont South Africa (PYT) LTD	0	0	0
Total	**110**	**(31)**	**79**

A decrease was recorded in 2022 in relation to the investment in Tecnimont Iberia following the conclusion of the liquidation process and cancellation of the company.

The reduction in the value of the investment in Consorzio Stabile MST S.c.a.r.l. is a consequence of the partial write-down arising during the ongoing liquidation process.

Tecnimont Exportadora de Ingegniería y Servicios TCM SpA in Chile is still not operational and was therefore not included in the consolidation. Tecnimont South Africa, in addition to not being operational, is currently only registered for tax purposes. For the investments in Svincolo Taccone and Consorzio Stabile MST S.c.a.r.l., we await completion of the liquidation process.

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%
Consorzio Stabile MST S.c.a.r.l. in liquidation	ITA	EUR	91%	MST S.p.A.	91%
Tecnimont South Africa (PYT) LTD	South Africa	ZAR	100%	Tecnimont S.p.A.	100%

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)	2021	Changes in year	2022
• Finenergia S.p.A. in liquidation	26	0	26
• Società Interporto Campano S.p.A.	1,920	0	1,920
• Cavtomi consortium	150	43	193
• 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.	2,002	818	2,820
• Cisfi S.p.a.	230	0	230
• Fondazione ITS	10	0	10
• Contratto di programma Aquila consortium (*)	0	0	0
• Consorzio parco scientifico e tecnologico Abruzzo (*)	0	0	0
• Tecnosanità S.c.a.r.l.	22	(22)	0
• 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	7,494	465	7,959
Total	**12,811**	**1,304**	**14,115**

(*) 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.

Tecnosanità S.c.a.r.l. was eliminated in 2022. The increase in the investment in Pursell Agri-Tech, LLC is the result of currency effects.

The increase in the investment in Kafco L.T.D. is as a result of an increase in its current value with a positive effect also on the financial assets reserve measured at fair value.

The increase in the value of the Cavtomi consortium is a consequence of a reallocation of the consortium fund based on the shares redistributed by virtue of the dissolution of one of the previous members.

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%
Cavtomi consortium	ITA	EUR	3.86%	MST S.p.A.	3.86%
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	12.65%	Stamicarbon USA	12.65%

OTHER FINANCIAL ASSETS

Other financial assets total Euro 102,795 thousand and increased by Euro 57,137 thousand in the year.

The breakdown of financial assets at December 31, 2022 is as follows:

Non-current financial assets for Euro 4,083 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 non-current financial assets for Euro 47,069 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 project is not directly involved in the international sanctions against Russia either in relation to the type of plant under construction or for the Russian counterparty involved.

Pending the ICC arbitration proceedings between the ATI Tecnimont S.p.A./KT Kinetics Technology S.p.A. and Total E&P Italia S.p.A., pertaining to the execution of the EPC contract for the construction of the "Tempa Rossa" oil and LPG center, Total has requested the payment of the performance guarantee (issued by Swiss RE in the interest of Tecnimont under the EPC contract). The Arbitration Board by its order instructed Total to refrain from collecting the Guarantee and granted Tecnimont's request to transfer a sum equal to the amount demanded under the Guarantee to an escrow account, to be released following the decision made by the Arbitration Board at the outcome of the arbitration proceedings. The parent company TotalEnergies also issued a comfort letter guaranteeing the repayment of the above amount. Non-current financial assets in the amount of Euro 51,546 thousand include the credit related to the amounts temporarily deposited in the escrow account in the name of Total.

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 609 thousand at December 31, 2022.

(in Euro thousands)	2021	Provisions	Utilizations	Change in consolidation scope	Other movements	2022
Provision for other doubtful financial debts	386	223	0	0	0	609
Total	**386**	**223**	**0**	**0**	**0**	**609**

The doubtful debt provision in the year amounted to Euro 609 thousand, increasing on the previous year. In 2022, this provision reported an increase in allocations in response to the significant economic and financial tensions surrounding the Russia-Ukraine crisis, which has had an impact on customer credit ratings, resulting in a generalized worsening of counterparty risk and consequent impact on the measurement of financial assets.

In addition to the assessments of the collectability of receivables and in accordance with IFRS 9 concerning impairment models, the Group estimated losses on receivables using the expected loss model based on supporting information available without undue effort or burden, which includes actual data and forecasts and was essentially obtained from information providers that, when quantifying expected losses at the closure date, incorporate the effects of the Russia-Ukraine war.

28.8. Other non-current assets

(in Euro thousands)	2021	Changes in year	2022
Trade receivables beyond 12 months	93,747	(39,114)	54,634
Other trade receivables beyond 12 months	11,478	(3,947)	7,531
Other Assets beyond one year	16,422	1,016	17,439
Tax Receivables beyond 12 months	3,877	(1,436)	2,442
Prepayments beyond 12 months	4,306	1,828	6,135
Total	**129,833**	**(41,652)**	**88,180**

Other non-current assets amount to Euro 88,180 thousand, decreasing Euro 41,652 thousand on December 31, 2021.

Trade receivables due beyond 12 months mainly relate to receivables of Tecnimont S.p.A. and Tecnimont Arabia 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 change 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 7,531 thousand and decreased Euro 3,947 thousand; this amount mainly refers to receivables from a supplier with whom a deferred payment plan had been negotiated over time in exchange for the granting to the Maire Tecnimont Group of an interest rate for late payment. The reduction in the year is linked to the payment of one of the installments. The item residually also includes other miscellaneous receivables due beyond 12 months and security deposits.

The other assets for Euro 17,439 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 2,442 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 12 months amount to Euro 6,135 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)	2021	Changes in year	2022
Deferred tax assets	40,599	12,892	53,491
Deferred tax liabilities	(37,396)	(11,222)	(48,619)
Total	**3,203**	**1,670**	**4,873**

Deferred tax assets and liabilities present a positive net balance of Euro 4,873 thousand, increasing Euro 1,670 thousand compared to December 31, 2021, as a combined effect of the increase in deferred tax assets and in deferred tax liabilities.

The main changes in deferred tax assets are as an effect of the deferred tax assets arising on temporary charges deductible in future years, mainly related to the significant decrease in the mark-to-market of the hedging derivatives recorded among equity in the valuation reserve net of the related tax effect. Other temporary differences concern provisions for future charges related to personnel that were allocated in 2022.

Deferred tax liabilities increased as a result of the temporary differences which will be assessable in future periods, essentially related to currency gains not realized in 2022 and differences in accounting standards and particularly in relation to MT Russia.

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 Group enjoys unrecognized theoretical tax benefits for losses carried forward without limit in the amount of Euro 40 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)	2021	Changes in year	2022
Finished products and goods	1,845	2,101	3,946
Advances to suppliers	476,686	(115,831)	360,855
Total	**478,532**	**(113,731)**	**364,802**

"Finished products and goods", amounting to Euro 3,946 thousand, mainly relates to the finished product inventory of MyReplast Industries, which manages an advanced plastics mechanical recycling plant located in Bedizzole; the remaining amount refers to consumable materials and finished products at the warehouse of the subsidiary Met T&S, which supplies chemical products, spare parts and polymers. The increase for the year relates to a reclassification from Property, plant and equipment for assets previously functional to contract activities now completed and being disposed of.

Advance payments to suppliers, amounting to Euro 360,855 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.

Excluding the reclassification of the Amursky project (see note 28.11 Contractual Assets for more information), the Euro 115,831 thousand decrease in advances would become an increase of Euro 48,005 thousand, which is the direct result of the trend in recently acquired contracts, for which equipment orders have been issued and consequent financial advances to suppliers have been recognized.

28.11. Contractual Assets

(in Euro thousands)	2021	Changes in year	2022
Works-in-progress	24,949,656	2,579,823	27,529,478
(Advances received on work-in-progress)	(22,624,286)	(2,644,395)	(25,268,681)
Total	**2,325,370**	**(64,573)**	**2,260,797**

"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.

In relation to the Amursky AGPP Project, in early 2022 the agreement between the parties became operational. According to this agreement, the client directly assumes the operational management of the construction phase. It also finally sanctioned the non-control by the Group of the main construction activities with associated risks and gross cash flows; only some paid service and technical support activities remain. In application of IFRS 15 and IFRS 9, the respective asset and liability positions have been presented on a net basis. The Table below presents the impact at December 31, 2022 on the balance sheet items affected by this new exposure, which makes the substance of construction activities and the relationships between the client and subcontractors involved in the activities more consistent, and the value of the same items at December 31, 2021.

Balance Sheet items 2021 *(in Euro thousands)*	December 31, 2021 Opening	Impact new presentation	December 31, 2021 with new presentation
Non-current assets	*828,896*	*(2,357)*	*826,539*
Inventories/Advances to Suppliers	*664,738*	*(186,207)*	*478,531*
Contractual Assets	*2,795,229*	*(469,859)*	*2,325,370*
Trade receivables	*561,089*	*(69,529)*	*491,560*
Total assets	**4,849,951**	**(727,951)**	**4,122,000**
Other non-current liabilities	*142,284*	*(2,357)*	*139,928*
Client advance payments	*1,053,872*	*(186,207)*	*867,666*
Trade payables	*2,431,105*	*(539,388)*	*1,891,718*
Total liabilities	**3,627,262**	**(727,951)**	**2,899,311**

Balance Sheet items 2022 *(in Euro thousands)*	**December 31, 2022 Opening**	**Impact new presentation**	**December 31, 2022 with new presentation**
Non-current assets	*859,760*	*0*	*859,760*
Inventories/Advances to Suppliers	*526,537*	*(161,735)*	*364,802*
Contractual Assets	*2,641,266*	*(380,468)*	*2,260,797*
Trade receivables	*771,057*	*(66,875)*	*704,182*
Total assets	**4,798,620**	**(609,079)**	**5,407,698**
Other non-current liabilities	*132,536*	*0*	*132,536*
Client advance payments	*807,367*	*(161,735)*	*645,631*
Trade payables	*2,743,145*	*(447,343)*	*2,295,802*
Total liabilities	**3,683,048**	**(609,079)**	**4,292,127**

The total value of Contract Assets decreased on the previous year by Euro 64,573 thousand and which, net of the reclassification of the Amursky project, would have increased Euro 315,896 thousand. This decrease is substantially due to the lower invoicing for the year compared to the economic progress of the projects and the strong growth in volumes in 2022 that reflect the significant backlog, thanks both to the progression towards execution phases capable of expressing higher volumes for projects in course and the start-up of the recently acquired projects. With regard to the assessment of the impacts of the Russia-Ukraine crisis, please refer to the “Key Events in the Year” and “Outlook” paragraphs of the Directors’ Report.

The movement in contract assets is also affected both by the contractual terms of the main orders but also by the restart of operational activities on construction sites and in supplies that had previously slowed down. This increase is expected to be significantly absorbed in the coming quarters with the related invoicing.

The value of construction contracts 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 set out in the financial statements, to which reference should made. Currently, these revenues not yet approved account for approx. Euro 8.2% of Hydrocarbons BU contract values and approx. 8.7% of Green Energy BU contracts.

The account “Contractual assets” also includes the accounting treatment of transactions with third parties who have in previous periods acquired a portion of 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” 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 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)	2021	Changes in year	2022
Trade receivables - within 12 months	479,905	212,046	691,952
Subsidiaries - within 12 months	0	4	4
Associates - within 12 months	151	150	302
Parent companies - within 12 months	0	1	1
Group companies - within 12 months	11,503	420	11,923
Total	**491,560**	**212,623**	**704,182**

Trade receivables at December 31, 2022, amount to Euro 704,182 thousand, an increase of Euro 212,623 thousand compared to December 31, 2021. The increase in trade receivables, net of the reclassification of the Amursky project (see note 28.11 Contractual Assets for more information), would be an increase of Euro 279,497 thousand.

The trade receivables balance derives from the contractual terms of the main contracts and is also affected by the progress of projects; in this regard, during 2022 there was an overall recommencement of activities and a significant growth in volumes that reflect the significant backlog, thanks both to the progression towards execution phases capable of expressing higher volumes for projects in course and the start-up of the recently acquired projects. All this also had an impact on the related receivables, which grew in value terms also in view of significant billing milestones reached at year-end on the Port Harcourt Refinery projects in Nigeria and for the Borouge 4 EPC project.

Receivables from non-consolidated subsidiaries concern the consortium company Consorzio Stabile MST S.c.a.r.l., in liquidation.

Receivables from associates amount to Euro 302 thousand and mainly refer for Euro 107 thousand to receivables from the JV Tecnimont-KTR LLP, for Euro 90 thousand from Gulf Compound Blending Ind Ltd, for Euro 3 thousand from Biolevano S.r.l. and for Euro 102 thousand from Hydrogeno Cadereyta.

Trade receivables from group companies mainly include Euro 9,775 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 the Cavtomi consortium for Euro 1,732 thousand, Euro 36 thousand from the Cavet consortium and Euro 373 thousand from the Tecnoenergia Nord consortium.

Trade receivables are recorded net of the doubtful debt provision of Euro 14,729 thousand at December 31, 2022 (Euro 15,182 thousand at December 31, 2021).

(in Euro thousands)	2021	Provisions	Utilizations	Change in consolidation scope	Other movements	2022
Doubtful debt provision - customers	15,182	2,940	(3,392)	0	0	14,729
Total	**15,182**	**2,940**	**(3,392)**	**0**	**0**	**14,729**

The doubtful debt provision amounted to Euro 2,940 thousand and as already illustrated in Note "27.9 Doubtful debt provision" was an increase over the previous year. In 2022, this provision reported an increase in allocations in response to the significant economic and financial tensions surrounding the Russia-Ukraine crisis, which has had an impact on customer credit ratings, resulting in a generalized worsening of counterparty risk and consequent impact on the measurement of financial assets; in addition at December

31, 2022, there was a higher receivable balance than in the previous year with further consequence on higher provisions.

In addition to the assessments of the collectability of receivables and in accordance with IFRS 9 concerning impairment models, the Group estimated losses on receivables using the expected loss model based on supporting information available without undue effort or burden, which includes actual data and forecasts and was essentially obtained from information providers that, when quantifying expected losses at the closure date, incorporate the effects of the Russia-Ukraine war.

Uses of the doubtful debt provision mainly concern the Green Energy BU and Italian public bodies for old business related to the Infrastructure and Civil Engineering segment and also in relation to some disputes closed in the year.

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)	2021	Changes in year	2022
Current tax assets	49,243	4,735	53,978
Other tax assets	94,885	10,243	105,128
Total	**144,128**	**14,978**	**159,106**

Current tax assets amount to Euro 159,106 thousand, an increase of Euro 14,978 thousand compared to December 31, 2021. The account mainly refers to VAT for Euro 105,128 thousand and other tax receivables of Euro 53,978 thousand.

The VAT receivables relate to the balance of the tax consolidation undertaken by the Parent Company Maire Tecnimont S.p.A of Euro 39,898 thousand (Euro 35,470 thousand at December 31, 2021), an increase of Euro 4,428 thousand, 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 15,529 thousand, a decrease of Euro 6,789 thousand compared to December 31, 2021, foreign companies amounting to Euro 27,334 thousand (of which approx. Euro 4,301 thousand for Tecnimont Private Limited, Euro 6,545 thousand for MT Russia, Euro 4,021 thousand for TCM-KT JV Azerbaijan LLC and Euro 4,503 thousand for KT Angola), an increase of Euro 8,889 thousand compared to December 31, 2021 and for Euro 22,366 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 53,978 thousand principally refer to:

- Group tax receivable in the parent company Maire Tecnimont for approx. Euro 5,593 thousand, which as of December 31, 2021, on the other hand, following the estimated tax charge for the year was a net liability classified under tax payables;
- tax receivables of foreign companies for Euro 10,607 thousand, mainly related to the tax receivables of the Dutch subsidiary Stamicarbon BV and Tecnimont Private Limited;
- residual tax receivables of Euro 37,779 thousand mainly related to: excess corporation tax payment on account compared to current income taxes of the other companies of the Group not within 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.

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 2022-2024 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., Cefalù 20 S.c.a.r.l., Met Development S.p.A, MST S.p.A., Tecnimont-KT JV S.r.l., Nextchem S.p.A. and MyRechemical S.r.l. have also applied the Group VAT consolidation regime.

28.14. Financial instruments - Derivatives (Current assets)

(in Euro thousands)	2021	Changes in year	2022
Financial instruments - Currency hedging derivatives	23,716	(15,282)	8,433
Financial instruments - Interest rate hedging derivatives	0	3,895	3,895
Financial instruments - Raw material hedging derivatives	1,642	(1,485)	157
Financial instruments - Total Return Equity SWAP (TRES) derivatives	1,222	(626)	596
Total	**26,580**	**(13,498)**	**13,082**

Current derivative financial instruments assets at December 31, 2022 amount to Euro 13,082 thousand, decreasing Euro 13,498 thousand compared to December 31, 2021 and concern the fair value measurement of the derivative contracts in force.

The account for Euro 8,433 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; the positive mark-to-market will be set off against future operating cash flows of a similar amount. The changes are a consequence of exchange rate movements, mainly of the US Dollar against the Euro, during 2022 due to the situation arising on the foreign exchange markets following the emergence of international tensions related to the Russia-Ukraine crisis, and in the financial markets due to rising interest rates, resulting in a strengthening of the US Dollar against the Euro, which impacted the mark-to-market valuation of the derivative instruments entered into to hedge the orders and due to the closure in 2022 of a number of Ruble currency hedges.

The interest rate derivatives, amounting to Euro 3,895 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 increase in positive fair value is related to market performance in the reporting period in relation to expectations of rising interest rates.

The reduction in the account derivative financial instruments to hedge against changes in the prices of raw materials (mainly copper) follows the closure of some positions.

The account for Euro 596 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, 2022 hedged the risk relating to approx. 2 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 March 31, 2023. 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 cash-settled Total Return Equity Swaps (TRES) is due to the unfavorable trend in the Maire Tecnimont stock price in 2022 in response to the situation that came about on the currency markets in response to the international tensions surrounding the Russia-Ukraine crisis and to market uncertainty, which had a negative impact on share price.

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)	2021	Changes in year	2022
Financial receivables within 12 months:			
Subsidiaries	10	(10)	0
Associates	1,843	1,291	3,134
Group companies	187	(1)	186
Other securities	779	136	916
Others	2,480	769	3,250
Total	**5,300**	**2,185**	**7,486**

Other current financial assets at December 31, 2022 amount to Euro 7,486 thousand, an increase of Euro 2,185 thousand compared to December 31, 2021.

Financial receivables from non-consolidated subsidiaries related to Tecnimont Iberia, a company cancelled during 2022.

Financial receivables from associates total Euro 3,134 and concern Villaggio Olimpico Moi for Euro 24 thousand, for Euro 13 thousand G.C.B. General Trading Ltd, for Euro 972 thousand Gulf Compound Blending Ind Ltd, for Euro 690 thousand JV Kazakhstan Tecnimont-KTR LLP and for Euro 1,435 thousand the associate Hidrogeno Cadereyta S.A.P.I. de C.V.

Financial receivables from group companies concern the CAVET Consortium for Euro 186 thousand.

"Other securities" amounting to Euro 916 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 146 thousand net of the reduction for Euro 10 thousand to adjust to the fair value of the investment.

Other receivables amount to Euro 3,250 thousand, increasing Euro 769 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.

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)	2021	Changes in year	2022
Others receivables within 12 months	218,770	17,953	236,723
Commercial prepayments	16,145	6,729	22,873
Total	**234,915**	**24,682**	**259,597**

Other current assets at December 31, 2022 amount to Euro 259,597 thousand, an increase of Euro 24,682 thousand compared to December 31, 2021.

The increase in current assets is mainly attributable to prepayments and accrued income, to a number of tax credits, VAT and taxes from foreign branches and security deposits.

"Other current assets" 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. The decrease in the year of Euro 15,330 thousand is a result of the closure of some positions.

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.

"Other current assets" 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.

The breakdown of other receivables due within 12 months is shown in the table below:

(in Euro thousands)	2021	Changes in year	2022
Receivables from consortiums and JV's	2,600	5,970	8,570
Contractual penalties to suppliers and sub-contractors	136,300	(15,330)	120,970
Other debtors	45,060	(5,882)	39,178
Taxes, VAT and levies (foreign companies)	27,846	28,642	56,488
Security deposits	2,165	4,595	6,760
Other prepayments (rents, commissions, insurance)	16,145	6,729	22,873
Employee receivables	1,084	939	2,024
Social security institutions	2,183	59	2,242
Receivables for unpaid contributions from other shareholders	1,531	(1,040)	491
Total	**234,915**	**24,682**	**259,597**

28.17. Cash and cash equivalents

(in Euro thousands)	2021	Changes in year	2022
Bank deposits	676,859	85,399	762,258
Cash in hand and similar	242	(36)	206
Total	**677,100**	**85,363**	**762,463**

Cash and cash equivalents at December 31, 2022 amount to Euro 762,463 thousand, an increase of Euro 85,363 thousand compared to December 31, 2021.

Operating activities generated cash in the year of Euro 275,778 thousand (Euro 196,499 thousand in 2021), with a continual improvement and driven by the profit for the year and working capital changes; cash flows from operating activities include also income tax payments, which in 2022 totaled Euro 64,177 thousand.

As already outlined, net working capital in fact further improved in 2022 thanks to the operating activities on the main ongoing projects and advances from clients regarding the new order intake at the end of 2021, although collected only in 2022 and which therefore provided a further cash flow benefit.

Cash flow from investing activities however absorbed cash totaling Euro 25,218 thousand (Euro 31,016 thousand in 2021), 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 on investments also include implementation activities and improvements related to the mechanical plastics recycling plant located in Bedizzole, Euro 915 thousand for the price paid for the purchase of a 30% minority interest in an already controlled company, and Euro 1,508 thousand for the price paid for the purchase of 51% of Tecni and Metal Private Limited, an Indian company that carries out construction activities and specifically mechanical and piping work for Oil & gas, petrochemical and fertilizer plants.

Financial activities, similar to investing activities, also absorbed cash overall of Euro 165,196 thousand (Euro 193,710 thousand in 2021), attributable to the repayment of approx. Euro 65 million of the medium-to long-term loan with a nominal value of Euro 185 million by the subsidiary Tecnimont S.p.A. and in relation to the Maire Tecnimont loan of a nominal Euro 365 million, backed 80% by SACE's Italy Guarantee for approx. Euro 45.6 million, the interest paid and repayments of principal portions of financial leasing liabilities, payment of the dividend approved by the Shareholders' Meeting in the amount of Euro 60,105 thousand, and purchases of treasury shares in the amount of approx. Euro 2.9 million. At the same time, funds from the start-up of the Euro Commercial Paper Program were used, which at December 31, 2022, amounted to Euro 2.5 million. There was also a slight increase in overdraft balances on current accounts, overdraft lines used for the management of short-term commercial cash flows, and working capital lines to support short-term needs as part of the working capital management of some projects.

The estimate of the "fair value" of bank and postal deposits at December 31, 2022 approximates their book value.

28.18. Shareholders' Equity

Group Shareholders' equity at December 31, 2022 amounts to Euro 491,574 thousand, a net decrease of Euro 1,678 thousand compared to December 31, 2021 (Euro 493,252 thousand).

Total consolidated Shareholders' Equity, considering minority interests, at December 31, 2022 amounts to Euro 528,051 thousand, an increase of Euro 702 thousand compared to December 31, 2021.

The overall decrease in consolidated Shareholders' Equity, despite the net income in the year of Euro 90.4 million, is mainly due to the negative change in the Cash Flow Hedge reserve of the derivative instruments, which mainly relates to the temporary mark-to-market losses of the derivative instruments to hedge the currency and raw materials risk of the revenues and costs from the projects, net of the relative tax effect for Euro 36,620 thousand. The changes are a consequence of exchange rate movements, mainly of the US Dollar against the Euro, during 2022 due to the situation arising on the foreign exchange markets following the emergence of international tensions, and in the financial markets due to rising interest rates, resulting in a strengthening of the US Dollar against the Euro. The negative mark-to-market which had a negative impact on the Cash Flow Hedge Reserve will be offset by future operating cash inflows of the same amount, entirely neutralizing the temporary negative impacts.

The currency movements, principally in relation to the appreciation of the Ruble against the Euro, positively impacted the translation reserve of financial statements in foreign currencies, supported by the adoption of the current exchange rate conversion method for the overseas companies which prepare their financial statements in a functional currency other than the Euro, in particular for the Russian subsidiary, MT Russia; the foreign currency balance sheet translation reserve in this case increased by Euro 2,588 thousand.

Other reductions concerned the payment of the dividend approved by the Shareholders' AGM of April 8, 2022, of Euro 60,105 thousand and the purchase of treasury shares during the year to service Maire Tecnimont stock-based remuneration and incentive plans adopted by the Company.

SHARE CAPITAL

The Share Capital at December 31, 2022 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, 2022 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, 2022 were negative and amount to Euro 5,231 thousand and comprise:

- Legal Reserve of the Parent Company Maire Tecnimont S.p.A. at December 31, 2022 of Euro 5,328 thousand;

- Asset revaluation reserve of Euro 9,722 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, 2022 of a negative Euro 40,266 thousand and comprising the temporary translation differences of the financial statements in foreign currencies; the change in the year was a increase of Euro 2,588 thousand, impacted by currency movements as previously described;
- Statutory reserves, which at December 31, 2022 amount to Euro 23,665 thousand;
- Other reserves, which at December 31, 2022 amounted to a negative Euro 18,210 thousand;
- Treasury shares in portfolio amounting to Euro -324 thousand; Maire Tecnimont S.p.A. launched the treasury share buyback 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 and specifically to service the Second Cycle (2021) of the "2020-2022 General Share Plan for Maire Tecnimont Group employees" As part of the share buy-back program, between June 20, 2022 and June 23, 2022 inclusive, 1,000,000 treasury shares were acquired (corresponding to 0.304% of the total number of ordinary shares), at an average weighted price of Euro 2.915, for a total amount of Euro 2,914,941.15, and the program was therefore completed. Subsequently, 1,066,269 shares were delivered to the beneficiaries of the Second Cycle (2021) of the 2020-2022 General Share Plan and 21,780 shares for another plan involving the delivery of shares. As of December 31, 2022, the Company, by virtue of the remaining treasury shares from the previous year, the new purchases in 2022 and related deliveries, thus holds a residual 109,297 treasury shares to be used for the next cycle of the long-term general share plan.
- IFRS 2 Reserve for Euro 14,854 thousand, which includes both the valuation of the Third Cycle (2022) of the 2020-2022 General Share Plan and the 2021-2023 LTI and 2022-2024 LTI Plans. The Reserve reported a net increase of Euro 8,292 thousand for the year. The movements refer to accruals in 2022 of Euro 12,637 thousand, reductions for utilizations of Euro 3,618 thousand following the delivery to beneficiaries of the shares allocated under the Second Cycle (2021) of the General Share Plan and a reduction for adjustments to prior year values for Euro 727 thousand. The adjustments mainly take account of the proceeds related to the plans of the previous Chief Executive Officer, who resigned in April 2022 and lost the right to the free assignment of the right to receive Maire Tecnimont shares.

  The aforementioned 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, 2022 was negative for Euro 31,543 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, 2021	**14,287**	**(2,818)**	**(6,296)**	**5,173**
Actuarial gain/(losses)	0	(1,061)	0	(1,061)
Relative tax effect	0	255	0	255
Valuation derivative instruments	(48,184)	0	0	(48,184)
Relative tax effect	11,564	0	0	11,564
Fair value changes of investments with OCI effects	0	0	711	711
Net book value at December 31, 2022	**(22,332)**	**(3,625)**	**(5,586)**	**(31,543)**

The net decrease of Euro 36,620 thousand in the Cash Flow Hedge reserve of the derivative instruments mainly relates to the mark-to-market losses of the derivative instruments to hedge the currency and raw materials risk on project revenues and costs. The changes are a consequence of exchange rate movements, mainly of the US Dollar against the Euro, during 2022 due to the situation arising on the foreign exchange markets following the emergence of international tensions, and in the financial markets due to rising interest rates, resulting in a strengthening of the US Dollar against the Euro. The negative mark-to-market which had a negative impact on the Cash Flow Hedge Reserve will be offset by future operating cash inflows of the same amount, entirely neutralizing the temporary negative impacts.

The increase in the financial assets reserve measured at fair value of approx. Euro 711 thousand is in relation to the investment in Kafco L.T.D, as an effect of the 2022 revaluation.

The decrease in the actuarial provision was due to the effect of the actuarial losses deriving from the change in the technical assumptions utilized 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)	2021	2022
Maire Tecnimont S.p.A. net income	73,741	38,940
Inter-company dividends eliminated in consolidated financial statements	(83,082)	(64,768)
Result reported by subsidiaries	91,108	113,899
Elimination of inter-company profits and write-downs	935	501
Other consolidation adjustments	1,212	(418)
Current and deferred taxes	(613)	1,735
Group Net Profit	**83,301**	**89,890**

RECONCILIATION BETWEEN NET EQUITY OF MAIRE TECNIMONT S.P.A. AND GROUP NET EQUITY

(in Euro thousands)	2021	2022
Maire Tecnimont S.p.A. shareholders' equity	477,326	470,611
Elimination of the book value of consolidated investments	(774,021)	(777,010)
Recognition of net equity of the consolidated investments	629,282	635,921
Other consolidation adjustments	160,665	162,051
Group Equity	**493,252**	**491,574**
Minority interest	34,098	36,477
Consolidated Shareholders' Equity	**527,350**	**528,051**

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.

28.19. Financial payables - non-current portion

(in Euro thousands)	2021	Changes in year	2022
Bank payables beyond 12 months	448,937	(158,156)	290,781
Total	**448,937**	**(158,156)**	**290,781**

Financial payables, net of the current portion, amount to Euro 290,781 thousand, reducing Euro 158,156 thousand on December 31, 2021, principally following the reclassification to short-term of the entirety 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 65 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" and for the repayment of a portion of the capital of Euro 45.6 million on the loan.

At December 31, 2022, financial debt net of the current portion was composed as follows:

- Euro 228,501 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 (the long-term portion totaled Euro 320,818 thousand at December 31, 2021).

  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, 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 on the FY 2022 figures.

- For Euro 54,784 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 (the long-term portion totaled Euro 54,678 thousand at December 31, 2021).

  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 originally was divided in two tranches (Euro 7.5 million repaid in 2022 and Euro 55 million maturity in 2024) with an average duration of approx. 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, 2022.

- For Euro 6,458 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 7,256 thousand at December 31, 2021) and for Euro 1,038 thousand from the loan also signed by MyReplast Industries S.r.l. with Banca Popolare di Sondrio for a nominal Euro 1.5 million (Euro 1,328 thousand at December 31, 2021). In 2022, repayments were made in the amount of Euro 1,055 thousand and Euro 168 thousand, respectively.

  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, 2022, have all been complied with according to the results currently available.

28.20. Provisions for charges - beyond 12 months

(in Euro thousands)	2021	Changes in year	2022
Provisions for charges - beyond 12 months	9,360	4,159	13,518
Total	**9,360**	**4,159**	**13,518**

The provision for charges amounts to Euro 13,518 thousand, an increase of Euro 4,159 thousand compared to December 31, 2021.

The account mainly includes charges related to legal cases and disputes in course including fiscal, provisions for charges relating to remuneration and incentive policies with maturity beyond 12 months, in addition to personnel disputes and contractual risks on projects closed.

This 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 increases concern the likely expenses related to employment policies for the current year, primarily for short and medium-term monetary incentive plans (MBO), including the deferred component beyond 12 months.

Further increases refer to the provision for some personnel disputes and the increase in the provision to cover the negative equity of an associate company.

The composition and changes in the year are shown below:

(in Euro thousands)	2021	Provisions	Util.	Reclass. /Chane in consolidation scope	2022
Provision for personnel charges	**174**	**3,873**	**0**	**0**	**4,047**
Other	0	3,391	0	0	3,391
Disputes provision	174	482	0	0	656
Provision for fiscal risks	**6,201**	**6**	**0**	**0**	**6,207**
Provision for other charges:	**2,985**	**279**	**0**	**0**	**3,265**
Legal, contract and other risks	1,660	0	0	0	1,660
Coverage for losses in associates	1,325	279	0	0	1,605
Total	**9,360**	**4,158**	**0**	**0**	**13,518**

For details on liabilities and related estimates of timing, see the section “Disputes” of the Directors’ Report.

28.21. Post-employment & other employee benefits

(in Euro thousands)	2021	Changes in year	2022
Post-employment & other employee benefits	10,792	(603)	10,190
Total	**10,792**	**(603)**	**10,190**

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, 2022; the changes in the year are shown below:

(in Euro thousands)	POST-EMPLOYMENT BENEFIT PROVISION	OTHER PLANS	Total
Balance at December 31, 2021	**9,852**	**940**	**10,792**
Changes in the period	(1,412)	809	(603)
Balance at December 31, 2022	**8,440**	**1,749**	**10,190**

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 gains deriving from the change in the technical assumptions utilized 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 provisions for the year in connection with the defined benefit plans 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 inflationary parameter, the general economic environment outlined in the most recent Economy and Finance Document and Update Note with respect to the date of intervention was examined, assuming a rate of 3.0% for 2023, 2.5% for 2024 and 2.0% from 2025 onward;
- 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 30.12.2022;
- 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.

28.22. Other non-current liabilities

(in Euro thousands)	2021	Changes in year	2022
Trade payables beyond 12 months	74,354	(15,872)	58,482
Tax payables beyond 12 months	443	(443)	0
Accrued liabilities	47	1,599	1,646
Total	**74,844**	**(14,716)**	**60,128**

Other non-current other liabilities at December 31, 2022 amount to Euro 60,128 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, 2021; the large new orders are still in the initial launch phase.

The decrease 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, a portion reclassified to short-term during the period.

28.23. Financial instruments - Derivatives (Non-current liabilities)

(in Euro thousands)	2021	Changes in year	2022
Financial instruments - Currency hedging derivatives	7,536	(7,456)	80
Total	**7,536**	**(7,456)**	**80**

Non-current derivative financial instrument liabilities at December 31, 2022 amount to Euro 80 thousand, a decrease of Euro 7,456 thousand compared to December 31, 2021 and concern the fair value measurement of the derivative contracts in force.

The account 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 against the Euro; the negative mark-to-market will be offset by future operating cash flows of a similar amount. The changes are a consequence of exchange rate movements, mainly of the US Dollar against the Euro, during 2022 due to the situation arising on the foreign exchange markets following the emergence of international tensions related to the Russia-Ukraine crisis, and in the financial markets due to rising interest rates, resulting in a strengthening of the US Dollar against the Euro, which impacted the mark-to-market valuation of the derivative instruments entered into to hedge the orders. There were also closures of some currency risk hedging instruments during 2022, while a portion of the hedge was reclassified to short-term in line with the underlying cash flow developments.

For further information and analysis of the Fair Value Hierarchy, reference should be made to the "FINANCIAL RISKS" section.

28.24. Other non-current financial liabilities

(in Euro thousands)	2021	Changes in year	2022
Payables to other lenders - Bonds	164,032	407	164,440
Other financial payables	15,216	25	15,241
Financial payables - Warrants	617	(166)	451
Total	**179,865**	**267**	**180,132**

Other non-current financial liabilities at December 31, 2022 amount to Euro 180,132 thousand, an increase of Euro 267 thousand compared to December 31, 2021.

"Other non-current financial liabilities" include for Euro 164,440 thousand, the non-convertible Bond Loan for a total Euro 165 million, net of accessory charges, issued in 2018 (Euro 164,032 thousand at December 31, 2021).

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. The measurement of this financial covenant is on an annual basis, whose next measurement will take place with reference to final figures at December 31, 2022.

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.
- Other financial payables beyond 12 months, amounting to a residual Euro 69 thousand, mainly refer to payables to public bodies for subsidized loans for research projects, while Euro 272 thousand concerns a financial liability to a commercial partner for a development project currently under way.

Warrants, in the amount of Euro 451 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, 2022. 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 was updated to December 31, 2022 and will be remeasured at each reporting date with a balancing entry in the income statement (financial management); during 2022 there was an increase in fair value, with a negative impact in financial management - financial expenses of Euro 24 thousand. On the other hand, the reduction in the financial liability of Euro 190 thousand is essentially a consequence of the resignation of the previous Chief Executive Officer and other managers included in the afore-mentioned plan; in response to these resignations, the shareholders of Nextchem, Maire Tecnimont and Maire Investments respectively in proportion to their shareholdings exercised the Call option to repurchase the rights of the warrants from the beneficiaries who left the Group, and subsequently these rights were cancelled with the consequent reversal of the financial liability to the equity reserve of Nextchem S.p.A.

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" of the 2022 consolidated financial statements.

28.25. Financial liabilities - Leasing

(in Euro thousands)	2021	Increases	Decreases	Interest	Payments	Other changes	2022
Financial liabilities - Leasing	128,389	48,617	(18,486)	4,340	(30,282)	447	133,026
Total	**128,389**	**48,617**	**(18,486)**	**4,340**	**(30,282)**	**447**	**133,026**
of which:							
Non-current financial liabilities - Leasing	*107,113*						*110,467*
Current financial liabilities - Leasing	*21,276*						*22,559*
Total	***128,389***						***133,026***

The value of current and non-current financial leasing liabilities related to Right-of-Use at December 31, 2022 was Euro 133,026 thousand, of which Euro 22,559 thousand short term and Euro 110,467 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 2022, 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 application 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, 2022 presented according to future cash flows, inclusive of interest:

(in Euro thousands)	2022
Current financial liabilities - Leasing	22,559
Non-current financial liabilities - Leasing	110,467
Total	**133,026**

(in Euro thousands)	Due within 1 year	Due between 1 & 5 years	Due beyond 5 years	Total
Financial liabilities - Leasing	26,618	87,046	38,398	152,062
Total	**26,618**	**87,046**	**38,398**	**152,062**
Of which Capital portion				*133,026*

28.26. Short-term financial payables

(in Euro thousands)	2021	Changes in year	2022
Bank payables	131,066	150,978	282,044
Payables to other lenders	4,133	23,292	27,425
Accrued liabilities	1,226	141	1,367
Total	**136,426**	**174,411**	**310,837**

Short-term financial payables amounted to Euro 310,837 thousand, increasing Euro 174,411 thousand on December 31, 2021, mainly following the reclassification to short-term of all the portions of the medium/long-term loan of a nominal Euro 185 million of the subsidiary Tecnimont S.p.A. and the repayment of a capital portion worth Euro 65 thousand of the same loan and also due to the reclassification to short-term of a number of portions of the loan of a nominal Euro 365 million, backed 80% by SACE's "Italy Guarantee", and a slight increase in the overdrawn current account balances, 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.

During 2022, Maire Tecnimont also repaid a tranche of Euro 7.5 million of the ESG Linked Schuldschein Loan.

At December 31, 2022, short-term bank payables mainly refer to the current portion of non-current debt:

- for Euro 64,594 thousand the current capital portion of the nominal Euro 185 million loan of the subsidiary Tecnimont S.p.A., to be fully repaid on June 30, 2023;
- for Euro 92,315 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., of which a nominal approx. Euro 22.8 million repayable in each quarter until December 31, 2023;
- for Euro 1,062 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 290 thousand the current capital portion of a loan also signed by MyReplast Industries S.r.l. with Banca Popolare di Sondrio for a nominal Euro 1.5 million in 2021.

The other short-term bank borrowings mainly refer to:

- for Euro 100,000 thousand the revolving line granted to the subsidiary Tecnimont S.p.A.;
- for Euro 20,000 thousand a further revolving line granted to the subsidiary Tecnimont S.p.A.;
- for Euro 3,783 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 27,425 thousand, up by 23,292 thousand following the use 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, bonds and bank overdrafts matured and not yet paid amount to Euro 1,367 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, 2022 and December 31, 2021, in line with Consob communication No. 5/21 of April 29, 2021:

NET FINANCIAL DEBT MAIRE TECNIMONT GROUP

	(In Euro thousands)	December 31, 2022	December 31, 2021
A.	Cash and cash equivalents	(762,463)	(677,100)
B.	Other liquidity	-	-
C.	Other current financial assets	(8,082)	(6,522)
D.	**Liquidity (A+B+C)**	**(770,545)**	**(683,623)**
E.	Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	180,881	41,105
F.	Current portion of non-current bank payables	158,261	117,066
G.	**Current financial debt (E+F)**	**339,142**	**158,171**
H.	**Net current financial debt (G-D)**	**(431,403)**	**(525,452)**
I	Non-current financial debt (excluding current portion and debt instruments)	401,248	556,050
J.	Debt instruments	180,132	179,865
K.	Trade payables and other non-current payables	-	-
L.	**Non-current financial debt (I+J+K)**	**581,379**	**735,915**
M.	**Total financial debt (H+L)**	**149,976**	**210,463**

The following table presents the reconciliation between the net financial debt and the net financial position of the Group at December 31, 2022 and December 31, 2021:

RECONCILIATION NFD & NFP

	(In Euro thousands)	December 31, 2022	December 31, 2021
M.	**Total financial debt**	**149,976**	**210,463**
	Other non-current financial assets	(109,032)	(51,084)
	Derivative financial instruments	23,701	(14,273)
	"Project Financing - Non Recourse"	(7,520)	(8,559)
	Other non-current assets - Expected repayments	(17,439)	(16,422)
	Financial payables - Warrants	(451)	(617)
	Finance lease payables IFRS 16	(133,026)	(128,389)
Adjusted Net Financial Position		**(93,790)**	**(8,882)**

The adjusted Net Financial Position at December 31, 2022 reports net cash of Euro 93.8 million, improving Euro 84.9 million on December 31, 2021, thanks to the generation of operating cash from the projects in portfolio.

The financial position at December 31, 2022 reports a small increase in the gross debt; in fact there was greater use of both the credit lines to manage current commercial requirements and the use of working capital lines in support of short-term requirements within the framework of the working capital management for several projects. In 2022, instalments on the medium/long-term loan of a nominal Euro 185 million were repaid by the subsidiary Tecnimont S.p.A. for approx. Euro 65 million and on the Maire

Tecnimont loan of a nominal value of Euro 365 million, backed 80% by SACE's Italy Guarantee for approx. Euro 45.6 million.

Further increases in gross debt were recorded for the Euro Commercial Paper Program; in fact, Maire Tecnimont S.p.A launched its first ECP program for the issue of one or more non-convertible notes placed with selected institutional investors, unrated and with a duration of three-years and a maximum overall value of the notes issued and not reimbursed of Euro 150 million. At December 31, 2022, the Euro Commercial Paper Program had been utilized for Euro 2.5 million, with maturity of the notes January 2023. The average weighted interest rate on outstanding financial liabilities was approx. 2%; in 2022, notes totaling Euro 196.9 million were issued, with reimbursements of Euro 194.4 million, with an average weighted interest rate on all financial liabilities which was approx. 0.67%;

As previously outlined, the net financial position at the end of December 2022 was impacted by the temporary changes to the mark-to-market of the derivatives, which at December 31, 2022 had a negative value of Euro 26.1 million and in 2022 decreased by Euro 41.4 million, mainly with regards to the derivatives hedging exchange risk on order revenue and cost fluctuations, the price of certain raw materials and movements in the Maire Tecnimont share price related to the personnel incentive plans.

The decreases are essentially a consequence of exchange rate movements, mainly of the U.S. Dollar against the Euro during 2022, due to the situation created on the currency markets by the international tensions stemming from the Russian-Ukrainian crisis. The negatively affected mark-to-market will be offset by revalued future operating cash inflows of a similar amount.

Lastly, there was a significant increase in cash and cash equivalents, which at December 31, 2022 amounted to Euro 762,463 thousand, up Euro 85,363 thousand on December 31, 2021, with this positive change more than offsetting the negative changes of the increase in gross debt and the negative mark-to-market of derivative instruments as outlined above.

Cash flow from operations saw a net generation of cash in the amount of Euro 275,778 thousand for the year, with a constant improvement driven by earnings and changes in working capital; As already outlined, net working capital in fact further improved in 2022 thanks to the operating activities on the main ongoing projects and advances from clients regarding the new order intake at the end of 2021, although collected only in 2022 and which therefore provided a further cash flow benefit.

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 133,026 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, 2022 substantially approximated their book value. The breakdown by maturity of the gross financial debt is reported in the financial risks section.

28.27. Provisions for charges - within 12 months

(in Euro thousands)	2021	Changes in year	2022
Provisions for charges - within 12 months	39,658	(4,583)	35,074
Total	**39,658**	**(4,583)**	**35,074**

The provision for charges within 12 months amounts to Euro 35,074 thousand, a decrease of Euro 4,583 thousand compared to December 31, 2021.

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 2022 and the short and medium term MBO plans for the portion due within 12 months.

The decrease in the year is essentially the result of the payment in 2022 of the employee plans, and specifically the flexible-benefit plans, the profit-sharing bonus for 2022, and the short and medium-term monetary incentive plans (MBO) for 2022, net of new provisions for short-term plans for 2022 which were on average lower than the previous year.

28.28. Tax payables

(in Euro thousands)	2021	Changes in year	2022
Current income tax payables	6,579	1,519	8,098
Other payables	12,332	3,392	15,724
Total	**18,911**	**4,911**	**23,822**

Tax payables were Euro 23,822 thousand, increasing Euro 4,911 thousand on December 31, 2021, primarily due to the increase in the amount payable to the Treasury for VAT of some overseas entities and current income taxes in Italy and abroad.

At December 31, 2022, tax payables were as follows:

(in Euro thousands)	2021	Changes in year	2022
Current income tax payables - Ires/Irap	4,948	830	5,777
Current income taxes payable - Imp. Overseas	1,631	689	2,320
VAT payables	2,568	2,981	5,549
Substitute taxes payable	7,319	322	7,641
Other payables	2,446	90	2,535
Total	**18,911**	**4,911**	**23,822**

The total includes both corporate income taxes payable by the companies not involved in the tax consolidation and IRAP payable by Italian companies for Euro 5,777 thousand, as well as Euro 2,320 thousand for taxes payable by foreign companies, mainly related to TPI, Met T&S, Tecnimont Arabia Ltd and TCM Filippine.

“Current income tax payables” at December 31, 2021 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 current year, as described above in the note concerning current tax assets, presented a receivable balance following higher payments on account made in 2022 compared to the estimate of the tax charge for the year.

"Other tax payables" relate to VAT payables of Euro 5,549 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.

28.29. Financial instruments - Derivatives (Current liabilities)

(in Euro thousands)	2021	Changes in year	2022
Financial instruments - Currency hedging derivatives	19,460	20,732	40,192
Financial instruments - Interest rate hedging derivatives	415	(415)	0
Financial instruments - Raw material hedging derivatives	275	(51)	223
Financial instruments - Total Return Equity SWAP (TRES) derivatives	139	2,828	2,966
Total	**20,288**	**23,094**	**43,381**

Current derivative financial instruments at December 31, 2022 amount to Euro 43,381 thousand, with an increase of Euro 23,094 thousand compared to December 31, 2021 and concern the fair value measurement of the derivative contracts in force.

The account for Euro 40,192 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 against the Euro; the negative mark-to-market will be offset by future operating cash flows of a similar amount. The changes are a consequence of exchange rate movements, mainly of the US Dollar against the Euro, during 2022 due to the situation arising on the foreign exchange markets following the emergence of international tensions related to the Russia-Ukraine crisis, and in the financial markets due to rising interest rates, resulting in a strengthening of the US Dollar against the Euro, which impacted the mark-to-market valuation of the derivative instruments entered into to hedge the orders.

Interest rate derivatives have a zero balance as a result of the trend in the fair value of the instrument, which had an asset balance at December 31, 2022.

The account for Euro 223 thousand refers to derivative financial instruments entered into to hedge exposure to the risk of changes in raw material prices (mainly copper) for the purchases on some contracts; during 2022 there were closures of some hedging instruments consistent with the developments of the underlying supplies.

The account for Euro 2,966 thousand concerns the negative fair value of the residual portion of three 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 instrument as at December 31, 2022 hedged the risk relating to approx. 8.6 million shares. The derivative contracts (TRES) were underwritten with two financial intermediaries, 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. The contracts are expected to conclude by December 31, 2023, for a total of 3.6 million shares and by May 2024 for the remaining 5 million shares. 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 Swaps (TRES) is due to the unfavorable trend in the Maire Tecnimont stock price in the first half of 2022 in response to the situation that came about on the currency markets in response to the international tensions surrounding the Russia-Ukraine crisis and to market uncertainty, which had a negative impact on share price.

For further information and analysis of the Fair Value Hierarchy, reference should be made to the "FINANCIAL RISKS" section.

28.30. Other current financial liabilities

(in Euro thousands)	2021	Changes in year	2022
Other current financial liabilities	330	(50)	280
Other current financial liabilities - Euro Commercial Paper (ECP)	0	2,500	2,500
Total	**330**	**2,450**	**2,780**

Other current financial liabilities December 31, 2022 amount to Euro 2,780 thousand, an increase of Euro 2,450 thousand compared to December 31, 2021 as a result of the launch of Maire Tecnimont Group's first Euro Commercial Paper Program.

Other current financial liabilities may be broken down as follows:

- For Euro 2,500 thousand the liability related to the Euro Commercial Paper Program. In this regard we note that in 2022 Maire Tecnimont S.p.A. launched its first Euro Commercial Paper Program for the issue of one or more non-convertible notes placed with selected institutional investors, unrated and with a duration of three-years. The maximum aggregate amount of Notes issued and not redeemed under the ECP shall not exceed, at any time, Euro 150 million. The Notes shall 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. The ECP Program will not be guaranteed by any company belonging to the Maire Tecnimont Group or a third party. Subject to compliance with all applicable legal and regulatory provisions, the Notes 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.

  On December 19, 2022, the Board of Directors of Maire Tecnimont S.p.A. met and resolved to update the Program's pricing to better reflect changed market conditions, subject to the other terms and conditions of the Program. Specifically, the notes may have fixed or floating rate coupons. The cost of each individual note will be determined at the time of note issuance and in any case may not exceed 6% p.a. Notes may be issued at a discount or premium and may not be less than 94% or more than 106% of the face value of the note.

  At December 31, 2022, the Euro Commercial Paper Program had been utilized for Euro 2.5 million, with maturity of the notes January 2023. The average weighted interest rate on outstanding financial liabilities was approx. 2%; in 2022, notes totaling Euro 196.9 million were issued, with reimbursements of Euro 194.4 million, with an average weighted interest rate on all financial liabilities which was approx. 0.67%.

- For Euro 280 thousand a financial liability from the consortium Cavtomi.

28.31. Client advance payments

(in Euro thousands)	2021	Changes in year	2022
Client advance payments	867,666	(222,034)	645,631
Total	**867,666**	**(222,034)**	**645,631**

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. At December 31, 2022, client advance payments totaled Euro 645,631 thousand, a decrease of Euro 222,034 thousand from December 31, 2021. Net of the reclassification of the Amursky project (see note 28.11 Contractual Assets for more information), this item would have decreased by Euro 60,299 thousand, which is essentially due to the greater absorption of advances through invoicing on account and related work carried out, compared to the receipt of new contractual advances.

The decrease in the account is consistent with the strong growth in activities and related billing already reflected in the various financial statement items that reflect the evolution of projects in the significant backlog.

During 2022, however, new advance receipts were recorded, which mainly involved a portion of the advances related to the last major acquisition at the end of 2021 related to the three contracts with Abu Dhabi Polymers Company - Borouge 4, the new Ras Laffan EPC projects in Qatar from the joint venture composed of QatarEnergy and Chevron Phillips Chemical, and Rhourde El Bagel in Algeria with the client Sonatrach.

28.32. Contractual Liabilities

(in Euro thousands)	2021	Changes in year	2022
(Works-in-progress)	(21,908,783)	(2,403,242)	(24,312,025)
Advances received on work-in-progress	22,301,355	2,370,994	24,672,349
Total	**392,571**	**(32,248)**	**360,324**

“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 32,248 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 period 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.

28.33. Trade payables

(in Euro thousands)	2021	Changes in year	2022
Suppliers - within 12 months	1,890,169	404,713	2,294,883
Associates - within 12 months	449	(236)	213
Parent companies - within 12 months	74	177	251
Group companies - within 12 months	1,026	(570)	456
Total	**1,891,718**	**404,084**	**2,295,802**

Trade payables at December 31, 2022 amount to Euro 2,295,802 thousand, an increase of Euro 404,084 thousand compared to December 31, 2021. Net of the reclassification of the Amursky project (see note 28.11 Contractual Assets for more information), trade payables would have increased by Euro 851,428 thousand due essentially to the major progress made on recently acquired projects and projects from late 2021 in regions not impacted by current geopolitical tensions, with the start of procurement of critical materials and the initial construction phases. The increase in the account is consistent with the strong growth in activities already reflected in the various costs items and consequent production volumes that reflect the evolution of projects in the significant order book.

More than 65% of the composition of trade payables includes the amounts of year-end allocations for work on supplies under construction and services performed that have not yet been invoiced and/or billable under the terms of the contracts. Most can be attributed to the Port Harcourt Refinery projects in Nigeria and the Borouge 4 EPC project.

Trade payables are also related 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.

Trade payables to associates were Euro 213 thousand and principally concern Studio Geotecnico Italiano for Euro 104 thousand and TSJ Limited for Euro 110 thousand.

Payables to Parent Companies amount to Euro 251 thousand and concern GLV Capital S.p.A.

Payables to group companies of Euro 456 thousand principally concern payables to consortia and infrastructure initiatives, mainly relating to the Metro B1 Consortium for Euro 448 thousand.

28.34. Other current liabilities

(in Euro thousands)	2021	Changes in year	2022
Matured by personnel, not yet settled	28,892	(2,221)	26,670
Payables due to social security institutions	13,918	1,208	15,126
Tax payables (overseas states)	24,102	(6,145)	17,957
Accrued liabilities and deferred income	200	2,848	3,049
Other payables (other creditors)	350,875	(4,579)	346,296
Total	**417,987**	**(8,889)**	**409,099**

Other current liabilities at December 31, 2022 amount to Euro 409,099 thousand, decreasing Euro 8,889 thousand on December 31, 2021.

The main account regarding “Other payables (other receivables)” includes the accounting treatment of transactions with third parties who in previous periods acquired a portion of the right 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, 14^{th} month and the MAIRE4YOU flexible benefits, and payables to Italian and foreign social security institutions including contributions not yet matured. The decrease is mainly related to a decrease in the liability for accrued and unused vacation leave and employees' use of the MAIRE4YOU Plan with a consequent reduction in the flexible benefits liability.

“Other payables” principally concern the VAT payables of overseas branches which recorded a reduction in the year of Euro 6,145 thousand.

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 2022 in the form of contributions and grants:

- As part of funded training plans, Euro 268 thousand was received from Fondimpresa and Euro 36 thousand from Fondirigenti;
- Public grants were received in relation to technological research and innovation projects funded by the Ministry for Economic Development for Euro 9 thousand and from the European Union (ENEA) for Euro 2,321 thousand;
- Euro 23 thousand in previous subsidized loans received from the Ministry of Economic Development and Euro 5 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, 2022 and December 31, 2021 were as follows:

MAIRE TECNIMONT GROUP FINANCIAL GUARANTEES (in Euro thousands)	31/12/2022	31/12/2021
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)	2,216,242	1,859,188
Advance Bonds (banks and insurance)	1,171,018	1,194,379
Other	325,576	228,842
TOTAL GUARANTEES	3,712,836	3,282,409

"Guarantees issued in the interest of the Group" of Euro 3,712,836 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 acquisitions in 2022 and related issue of new guarantees. In particular:

- "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 17,438 million (Euro 15,632 million at December 31, 2021), including works already executed and the residual backlog at December 31, 2022.

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, 2022 the company's receivables/payables (including financial) and cost/revenue transactions with related parties for the period are presented in the tables below.

31/12/2022 (in Euro thousands)	Trade Receivables	Trade Payables	Financial Receivables	Financial payables	Costs	Revenues
G.L.V. Capital S.p.A.	1	(251)	0	0	(809)	1
Maire Investments Group	32	(0)	0	0	(164)	27
Luigi Alfieri	0	(63)	0	0	(338)	0
Total	**33**	**(313)**	**0**	**0**	**(1,311)**	**27**

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 refer to personnel accounting services.

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 or loans within the centralized liquidity management; in addition, certain consortiums, having substantially concluded operations, are in liquidation:

31/12/2022 (in Euro thousands)	Trade Receivables	Trade Payables	Financial Receivables	Financial payables	Costs	Revenues
Studio Geotecnico Italiano S.r.l.	0	(104)	0	0	(168)	0
Villaggio Olimpico MOI S.c.a.r.l. in liquidation	0	0	24	0	0	0
Biolevano S.r.l.	3	0	0	0	0	11
TCM KTR LLP	107	0	690	0	0	34
Exportadora de Ingenieria y Servicios Tcm Spa	0	0	0	(67)	0	0
Volgafert LLC	9,776	0	0	0	0	11,347
JV TSJ Limited	0	(110)	0	0	0	0
Hidrogeno Cadereyta - S.A.P.I. de C.V.	102	0	1,435	0	0	77
Nextchem S.p.A.	15,475	(1,472)	9,151	0	(11,084)	12,813
MyRechemical S.r.l.	1,160	0	0	0	0	805
Mdg Real Estate S.r.l.	0	0	0	0	(49)	0
Stamicarbon US	0	0	0	0	(53)	0
Met T&S Management	5	0	0	0	0	4
GCB General trading	0	0	13	0	0	0
Gulf Compound&Blending Ind.	89	0	972	0	0	20
Maire Tecnimont Foundation	277	0	0	0	(487)	227
Total	**26,994**	**(1,686)**	**12,285**	**(67)**	**(11,842)**	**25,338**

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, 2022, the Group had paid contributions amounting to Euro 487 thousand and rendered various services to the Foundation for a total value of approximately Euro 227 thousand.

With reference to the related party transactions reported, such were concluded in the interest of Maire Tecnimont S.p.A. and its subsidiaries.

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

31/12/2022 *(in Euro thousands)*	Remuneration
Directors	5,715
Statutory Auditors	337
Total	**6,052**

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 2022 Corporate Governance and Ownership Structure Report and the 2023 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 2022 for audit services and other services carried out by the Audit Firm.

Type of service *(in Euro thousands)*	Provider	Company	2022 Fees
Audit	PricewaterhouseCoopers S.p.A.	Parent Company - Maire Tecnimont	281
	PricewaterhouseCoopers S.p.A.	Maire Tecnimont Group	1,827
	Pricewaterhousecoopers Network	Maire Tecnimont Group	477
Certification services *	PricewaterhouseCoopers S.p.A.	Parent Company - Maire Tecnimont	4
	PricewaterhouseCoopers S.p.A.	Maire Tecnimont Group	56
Other services **	PricewaterhouseCoopers S.p.A.	Parent Company - Maire Tecnimont	79
	PricewaterhouseCoopers S.p.A.	Maire Tecnimont Group	218
	Pricewaterhousecoopers Network	Parent Company - Maire Tecnimont	483

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 additional activities 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 an analysis of the reporting of a number of ESG parameters required by the ESG Linked Schuldschein Loan of Maire Tecnimont.

Other services for the Group include audit work in connection with the tax credit for the research and development expenses for some Italian subsidiaries and an activity to assess the reporting of costs of a funded project.

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, 2022 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, 2022 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).

In addition to the assessments of the collectability of receivables and in accordance with IFRS 9 concerning impairment models, the Group estimated losses on receivables using the expected loss model based on supporting information available without undue effort or burden, which includes actual data and forecasts and was essentially obtained from information providers that, when quantifying expected losses at the closure date, incorporate the effects of the Russia-Ukraine war.

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, 2022, Trade receivables from third parties due within and beyond 12 months, respectively totaled Euro 691,952 thousand (Euro 479,906 thousand at December 31, 2021) and Euro 54,634 thousand (Euro 93,747 thousand at December 31, 2021), net of the doubtful debt provision of Euro 14,729 thousand (Euro 15,182 thousand at December 31, 2021).

Trade receivables from third parties by maturity and business unit are summarized below:

(in Euro thousands)	Overdue at 31/12/2022					
	Not overdue	From 0 to 90 days	From 91 to 365 days	From 366 to 730 days	Over 730 days	Total
Hydrocarbons	487,853	31,277	28,547	7,675	132,242	687,594
Green Energy	45,623	3,990	1,455	683	7,153	58,904
Other	16	44	5	0	23	88
Total trade receivables - third parties	**533,492**	**35,311**	**30,006**	**8,358**	**139,418**	**746,586**
Of which:						
Trade receivables due within 12 months Report note 28.12						*691,952*
Trade receivables beyond 12 months Report note 28.8						*54,634*

For comparative purposes, the prior year amounts are presented 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*

Trade receivables are recorded net of the doubtful debt provision of Euro 14,729 thousand at December 31, 2022 (Euro 15,182 thousand at December 31, 2021).

(in Euro thousands)	2021	Provisions	Utilizations	Change in consolidation scope	Other movements	2022
Doubtful debt provision - customers	15,182	2,940	(3,392)	0	0	14,729
Total	**15,182**	**2,940**	**(3,392)**	**0**	**0**	**14,729**

The doubtful debt provision amounted to Euro 2,940 thousand and as already illustrated in Note "27.9 Doubtful debt provision" was an increase over the previous year. In 2022, this provision reported an increase in allocations in response to the significant economic and financial tensions surrounding the Russia-Ukraine crisis, which has had an impact on customer credit ratings, resulting in a generalized worsening of counterparty risk and consequent impact on the measurement of financial assets; in addition at December

31, 2022, there was a higher receivable balance than in the previous year with further consequence on higher provisions.

In addition to the assessments of the collectability of receivables and in accordance with IFRS 9 concerning impairment models, the Group estimated losses on receivables using the expected loss model based on supporting information available without undue effort or burden, which includes actual data and forecasts and was essentially obtained from information providers that, when quantifying expected losses at the closure date, incorporate the effects of the Russia-Ukraine war.

Uses of the doubtful debt provision mainly concern the Green Energy BU and Italian public bodies for old business related to the Infrastructure and Civil Engineering segment and also in relation to some disputes closed in the year.

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 including disputes 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, 2022 amount to Euro 762,463 thousand, an increase of Euro 85,363 thousand compared to December 31, 2021 and improving steadily over the last few quarters; the availability of liquidity ensures financial equilibrium in the short term.

Operating cash flow in the year generated Euro 275,778 thousand (Euro 196,499 in 2021), which has been steadily improving, driven by earnings and changes in working capital, which has generated cash from the major projects in progress.

The Group also believes that the impact of the suspension and/or cancellation of projects in Russia will not have a significant overall financial impact and that, thanks to the acquisition of major new projects in 2022 and those expected in 2023, will be able to maintain good levels of liquidity.

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, 2022, broken down by type, distinguishing between amounts granted and used:

Lines of credit granted to and used by the Group as of December 31, 2022			
Description	Amt. Granted (€)	Amt. Used (€)	Amt. available
Overdraft facilities, revolving facilities and lines of credit	274,335,868	122,032,528	152,303,340
Advances on invoices - Factoring	5.000.00	1,664,719	3,335,281
European Commercial Paper	150,000,000	2,500,000	147,500,000
M/L loans - Bonds	621,561,995	621,561,995	-
Total	1,050,897,863	747,759,242	303,138,621

The following table analyses the breakdown and maturities of financial liabilities according to non-discounted future cash flows:

31.12.2022 *(In Euro thousands)*	Due within 1 year	Due between 1 & 5 years	Due beyond 5 years	TOTAL CASH FLOWS
Financial debt - non-current portion	1,258	306,010	2,017	309,285
Other non-current financial liabilities	4,912	184,145	7	189,064
Short-term debt	326,943			326,943
Other current financial liabilities	2,782			2,782
Finance lease Liabilities - current and non-current	26,618	87,046	38,398	152,062
Financial instruments - Current and non-current derivatives	43,381	80		43,461
Total liabilities	405,894	577,281	40,422	1,023,597

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:

31.12.2021 *(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 liabilities	204,946	746,237	44,847	996,030

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/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, transport 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 Group is closely monitoring the supply chain in order to identify and take action to mitigate potential impacts in terms of the cost of materials and services and of procurement times as a result of developments in the war in Ukraine. Furthermore, given the extreme unpredictability of this situation and its impact on contracts, we are already adapting our execution strategies and have begun discussions with our clients and with the entire supply chain in order to negotiate mechanisms for managing and sharing the risk and for mitigating the impact on ongoing contracts.

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.

32.4. 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).

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).

Net Financial Position *(in Euro thousands)*	Total	Hedged portion	Non-hedged portion
Short-term debt	313,616	0	313,616
Medium/long-term debt	470,913	131,250	339,663
Total debt (*)	**784,529**	**131,250**	**653,279**
Total Cash and Cash Equivalents	*(762,463)*	*0*	*(762,463)*

(*) 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 Contract therefore has a duration of 5 years, with repayment beginning June 2020 and final instalment due on June 30, 2023. During 2022, repayments were made for a total principal amount of Euro 65 million. At December 31, 2022, a liability of about Euro 65 million remains, entirely classified as short term as due by June 30, 2023;

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 2022 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 originally was divided in two tranches (Euro 7.5 million repaid in 2022 and Euro 55 million maturity in 2024) with an average duration of approx. 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 2022 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 2022 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 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.

During 2022, repayments were made for a total principal amount of Euro 45.6 million. At December 31, 2022, a debt remains of approx. Euro 228.5 million classified beyond 12 months and approx. Euro 92.3 million classified as short-term of which approx. Euro 22.8 million nominal, repayable quarterly until December 31, 2023.

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 2022 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 2022 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 derivative instruments

In presenting hedges, the IFRS 9 requirements are verified for application of hedge accounting. In particular:

- 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.
- 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.
- 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.

Currency derivatives are undertaken with leading Italian and overseas banks in order to hedge operations and also for accounting purposes.

Derivative instruments at December 31, 2022

The table below shows the outstanding amounts of derivatives in place at the reporting date, analyzed by maturity:

(Euro thousands)	Book value at 31/12/2022	Notional			
	MTM	Projected cash flows	Within 1 year	Between 1 and 5 years	Over 5 years
Currency Option (*)	2,308	89,656	89,656		
Currency Forward (*)	(33,829)	741,654	732,348	18,306	
Interest Rate Swap (*)	7,886	131,250	37,500	93,750	
Commodity (*)	(66)	18,083	18,083		
Tres (*)	(2,370)	35,033	19,305	15,728	

(*) "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 31.12.2022
Forward purchases CNY against EUR sales	CNY	90,000,000	11,451,036	804,485
Forward purchases JPY against EUR sales	JPY	7,359,000,000	54,375,210	(1,083,238)
Forward purchases USD against EUR sales	USD	102,059,500	90,650,502	4,553,616
Forward sales USD against EUR sales	USD	734,945,000	650,432,719	(33,152,580)
Forward purchases PLN against EUR sales	PLN	56,000,000	11,725,056	27,213
Forward purchases of TRY against sale of EUR	TRY	159,000,000	9,807,474	(2,727,161)
TRY forward sale against EUR purchase	TRY	30,000,000	1,437,560	1,904
GBP forward purchase against EUR sale	GBP	1,313,250	1,429,719	54,674
Total commitments			**831,309,276**	**(31,521,087)**

The Group has the following forward interest rate contracts:

Description	IRS	Interest Rate	Notional in Euro	Fair value at 31.12.2022
Interest Rate Swap 1	IRS 1	-0.23%	53,004,807	3,186,539
Interest Rate Swap 2	IRS 2	-0.23%	53,004,807	3,180,168
Interest Rate Swap 3	IRS 3	-0.23%	25,240,385	1,519,728
Total commitments			**131,250,000**	**7,886,435**

The Group has the following forward contracts on raw materials:

Description	Commodity	Tons/Ounces	Notional in Euro	Fair value at 31.12.2022
Forward purchases	Copper	2,296	18,082,991	(66,008)
Total commitments			**18,082,991**	**(66,008)**

The Group has the following Total Return Equity Swap (TRES) contracts on the share price:

Description	Shares	Pieces	Notional in Euro	Fair value at 31.12.2022
TRES 3	Maire Tecnimont	2,067,800	8,687,345	(2,463,122)
TRES 6	Maire Tecnimont	2,000,000	5,553,200	595,965
TRES 7	Maire Tecnimont	5,000,000	15,728,000	(41,205)
TRES 9	Maire Tecnimont	1,500,000	5,064,750	(461,810)
Total commitments			**35,033,295**	**(2,370,172)**

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, 2022, 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, net of the tax effect which would be as represented below:

Financial instrument (In Euro thousands)	Book value at 31/12/2022	Income statement impact	Shareholders' equity impact	Income statement impact	Shareholders' equity impact
Net Financial Assets/Liabilities		+10%		-10%	
Currency Option (*)	2,308		(7,919)		9,686
Currency Forward (*)	(33,829)	(1,642)	55,404	1,547	(68,810)
Interest Rate Swap (*)	7,886		(788)		788
Commodity (*)	(66)		1,800		(1,800)
Tres (*)	(2,370)	3,278		(3,278)	
Impact on financial assets/liabilities before tax effect		1,636	48,498	(1,731)	(60,136)
Tax rate		24.00%	24.00%	24.00%	24.00%
Impact on financial assets/liabilities, net of tax effect		1,243	36,858	(1,316)	(45,703)
Total increase (decrease)			38,102		(47,019)

(*) "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.

32.8. 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.

31-12-2022 *(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	102,795	-		14,194	-	**116,989**
Other non-current assets	88,179	-	-	-	-	**88,179**
Trade receivables	704,182	-	-	-	-	**704,182**
Financial instruments - Current and non-current derivatives	-	596	16,794	-	-	**17,390**
Other current financial assets	6,570	-	-	-	916	**7,486**
Other current assets	259,597	-	-	-	-	**259,597**
Cash	762,463	-	-	-	-	**762,463**
Total Financial Assets	**1,923,786**	**596**	**16,794**	**14,194**	**916**	**1,956,287**

(*) *"Level 2" of the Fair-Value*

(**) *"Level 3" of 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	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*

31-12-2022 *(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	290,781				**290,781**
Other non-current financial liabilities	179,681	451			**180,132**
Other non-current liabilities	60,128				**60,128**
Short-term debt	310,837				**310,837**
Other current financial liabilities	2,780				**2,780**
Finance lease liabilities - current and non-current	133,026				**133,026**
Financial instruments - Current and non-current derivatives			2,966	40,495	**43,461**
Trade payables	2,295,802				**2,295,802**
Other Current Liabilities	409,098				**409,098**
Total Financial Liabilities	**3,682,133**	**451**	**2,966**	**40,495**	**3,726,045**

(*) *"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**	**139**	**27,685**	**3,306,319**

(*) *"Level 2" of the Fair-Value*

(**) *"Level 3" of Fair-Value*

33. Positions or transactions arising from exceptional and/or unusual transactions

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, 2022

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 Alessandro Bernini, as "Chief Executive Officer" and Fabio Fritelli, as "Executive Officer for Financial Reporting" of MAIRE TECNIMONT S.p.A. declare, 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 2022.
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;
   - corresponds 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, March 1, 2023

The Chief Executive Officer	The Executive Officer for Financial Reporting
Alessandro Bernini	**Fabio Fritelli**

Financial Statements and Explanatory Notes

at December 31, 2022

37. Financial Statements

37.1. Income Statement

(in Euro)	*Note*	December 31, 2022	December 31, 2021
Revenues	*41.1*	92,491,201	109,288,473
Other operating revenues	*41.2*	8,879,637	7,270,129
Total Revenues		**101,370,838**	**116,558,602**
Raw materials and consumables	*41.3*	(35,536)	(34,083)
Service costs	*41.4*	(23,636,919)	(19,454,497)
Personnel expenses	*41.5*	(38,186,988)	(29,210,790)
Other operating costs	*41.6*	(1,232,531)	(972,196)
Total Costs		**(63,091,974)**	**(49,671,566)**
EBITDA		**38,278,865**	**66,887,036**
Amortization, depreciation and write-downs	*41.7*	(1,305,636)	(901,478)
Write-down of current assets	*41.8*	(1,100,000)	0
EBIT		**35,873,229**	**65,985,558**
Financial income	*41.9*	21,870,493	28,734,103
Financial expenses	*41.10*	(24,940,562)	(22,655,836)
Income before taxes		**32,803,159**	**72,063,825**
Income taxes, current and deferred	*41.11*	6,136,957	1,677,139
Net income for the year		**38,940,115**	**73,740,964**
Basic earnings/(loss) per share	**41.12**	**0.118**	**0.225**
Diluted earnings/(loss) per share	**41.12**	**0.118**	**0.225**

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*	December 31, 2022	December 31, 2021
Net income for the year		**38,940,115**	**73,740,964**
Other comprehensive income/(expense) which may not be subsequently reclassified to income/(loss) for the year:			
Actuarial gains/(losses)	*42.14*	61,361	3,286
Relative tax effect	*42.14*	(14,727)	(789)
Total other comprehensive income/(expense) which may not be subsequently reclassified to income/(loss) for the year:		**46,634**	**2,497**
Other comprehensive income/(expense) which may be subsequently reclassified to income/(loss) for the year:			
Net valuation of derivative instruments:			
· valuation derivative instruments	*42.14*	7,752,869	1,611,771
· relative tax effect	*42.14*	(1,860,689)	(386,825)
Total other comprehensive income/(expense) which may be subsequently reclassified to income/(loss) for the year:		**5,892,180**	**1,224,946**
Total other comprehensive income/(losses), net of tax effect		**5,938,814**	**1,227,443**
Total comprehensive income/(loss) for the year		**44,878,929**	**74,968,407**

37.3. Balance Sheet

(in Euro)	*Note*	December 31, 2022	December 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	*42.1*	604,962	364,442
Other intangible assets	*42.2*	4,380,455	4,702,480
Right-of-use - Leasing	*42.3*	6,736,413	6,697,940
Investments in subsidiaries	*42.4*	777,010,234	774,021,306
Financial receivables	*42.5*	201,786,192	282,311,005
Financial instruments - Derivatives (Non-current assets)	*42.6*	3,990,935	548,134
Other non-current assets	*42.7*	455,934	1,625,652
Deferred tax assets	*42.8*	2,518,925	2,153,148
Total non-current assets		**997,484,050**	**1,072,424,107**
Current assets			
Trade receivables	*42.9*	43,615,719	41,487,325
Current tax assets	*42.10*	46,080,602	38,394,926
Financial instruments - Derivatives (Current assets)	*42.11*	4,491,464	1,221,954
Other current financial assets	*42.12*	251,797,387	182,960,406
Other current assets	*42.13*	2,305,982	1,587,620
Cash and cash equivalents	*42.14*	56,996,941	156,852,234
Total current assets		**405,288,094**	**422,504,465**
Total Assets		**1,402,772,144**	**1,494,928,572**

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, 2022	December 31, 2021
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*	119,256,129	110,744,238
Valuation reserve	*42.15*	5,937,564	(1,251)
Total shareholders' equity & reserves	**42.15**	**418,035,459**	**403,584,752**
Retained earnings/(accumulated losses)	*42.15*	13,635,879	0
Net income for the year	*42.15*	38,940,115	73,740,964
Total Shareholders' Equity		**470,611,453**	**477,325,716**
Non-current liabilities			
Financial debt - non-current portion	*42.16*	283,285,042	375,495,306
Provisions for charges - beyond 12 months	*42.17*	2,014,263	0
Deferred tax liabilities	*42.8*	2,128,539	124,296
Post-employment & other employee benefits	*42.18*	501,965	498,406
Other non-current liabilities	*42.19*	0	18,742
Other non-current financial liabilities	*42.21*	164,439,640	164,032,499
Non-current financial liabilities - Leasing	*42.22*	6,059,763	5,916,954
Total Non-Current liabilities		**458,429,213**	**546,086,203**
Current liabilities			
Short-term debt	*42.23*	93,289,912	53,201,390
Current financial liabilities - Leasing	*42.22*	684,418	710,462
Provisions for risks and charges - within 12 months	*42.24*	6,266,305	8,108,563
Tax payables	*42.25*	578,050	3,016,379
Financial instruments - Derivatives (Current liabilities)	*42.25*	2,966,137	553,186
Other current financial liabilities	*42.27*	316,939,666	354,856,169
Trade payables	*42.28*	9,063,232	10,308,048
Other Current Liabilities	*42.29*	43,943,758	40,762,454
Total current liabilities		**473,731,479**	**471,516,653**
Total Shareholders' Equity and Liabilities		**1,402,772,144**	**1,494,928,572**

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	Net Income for the 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	0
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)	0	73,740,964	477,325,716

(in Euro)	Share capital	Share premium reserve	Legal reserve	Other reserves	Valuation reserve	Retained earnings/accum. losses	Net Income for the year	Shareholders' Equity
December 31, 2021	19,920,679	272,921,086	5,328,333	105,415,905	(1.251)	0	73,740,964	477,325,716
Allocation of the result						73,740,964	(73,740,964)	0
Distribution of dividends						(60,105,085)		(60,105,085)
Other movements				28.65				28.65
IFRS 2 (Employee share plans)				8,291,824				8,291,824
Utilization Treasury Shares 2022 for staff plans				3,106,358				3,106,358
Acquisition of Treasury Shares 2022				(2,914,941)				(2,914,941)
Comprehensive income/(loss) for the year					5,938,815		38,940,115	44,878,930
December 31, 2022	19,920,679	272,921,086	5,328,333	113,927,796	5,937,564	13,635,879	38,940,115	470,582,803

39. Cash Flow Statement (indirect method)

(in Euro)	December 31, 2022	December 31, 2021
Cash and cash equivalents at beginning of the year (A)	156,852,234	265,432,302
Operations		
Net income	**38,940,115**	**73,740,964**
Adjustments:		
Amortization of intangible assets	332,052	95,664
Depreciation of non-current tangible assets	119,700	154,265
Amortization of right-of-use - Leasing	863,884	651,549
Provisions	1,100,000	-
(Revaluations)/Write-downs of investments		-
Financial charges	24,940,563	22,655,836
Financial Income	(21,870,493)	(28,734,103)
Income & deferred tax	(6,136,957)	(1,677,139)
(Gains)/Losses		-
(Increase) / Decrease in trade receivables	(2,128,393)	(14,451,098)
Increase/(Decrease) in other liabilities	3,143,819	33,194,894
(Increase)/Decrease in other assets	(648,644)	(739,736)
(Increase)/Decrease of deferred tax assets and liabilities	6,219,839	(20,897,260)
Increase/(Decrease) in trade payables	(1,244,816)	(232,746)
Increase / (Decrease) in provisions (incl. post-employ. benefits)	8,680,498	7,915,482
Income taxes paid	(10,425,096)	(18,742)
Cash flow from operations (B)	41,876,072	71,657,832
Investments		
(Investment)/Disposal of non-current tangible assets	(360,246)	(8,051)
(Investment)/Disposal of intangible assets		-
(Increase)/Decrease in other investments	(5,667)	(3,000,000)
Cash flow from investments (C)	(365,913)	(3,008,051)
Financing		
Repayments of principal of financial lease liabilities	(785,592)	(717,756)
Payment interest on finance lease liabilities	(265,907)	(152,496)
Increase/(Decrease) in current financial payables	1,003,257	(145,358)
Undertaking of non-current financial payables	(53,125,000)	-
Increase securities/bonds	2,500,000	(20,000,000)
Change in other financial assets/liabilities	(27,672,184)	(112,612,592)
Dividends	(60,105,085)	(38,122,290)
Treasury shares	(2,914,941)	(5,479,357)
Cash flow from financing (D)	(141,365,452)	(177,229,848)
Increase/(Decrease) in cash and cash equivalents (B+C+D)	(99,855,293)	(108,580,067)
Cash and cash equivalents at end of year (A+B+C+D)	56,966,941	156,852,234

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, 2022

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, 2022. See also the “Key Events in the year” and the “Subsequent events and outlook” paragraphs 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 changes in Shareholders’ Equity reports comprehensive income (charges) for the period and the other changes in Shareholders’ Equity.

IFRS accounting standards, amendments and interpretations applicable from January 1, 2022

The following amendments and interpretations applied from January 1, 2022 did not have a significant impact on the Group consolidated financial statements.

- 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".

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, 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.
- 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.

IFRS accounting standards, amendments and interpretations not yet approved by the European Union at December 31, 2022

- 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, 2024.
- On October 31, 2022, the IASB issued the Amendment to IAS 1 "Non-current Liabilities with Covenants," which is scheduled to take effect on January 1, 2024.
- On September 22, 2022, the IASB issued the document Amendment to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback," which is scheduled to take effect on January 1, 2024.

ACCOUNTING POLICIES

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

The accounting policies utilized in preparing the 2022 separate financial statements are the same as those adopted in preparing the 2021 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, 2022, as discussed above in the “Accounting standards applied from January 1, 2022” 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

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 and 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 and amortization, 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" utilized 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 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.

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 in accordance with the underlying contractual agreements and in accordance with the respective definition 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 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 when the Company has a current obligation (legal or implied) that is the result of a past event and it is probable that the Company 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 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, 2022, 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 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 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 a 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 itself, 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 2022 amounted to Euro 92,492 thousand, a decrease of Euro 16,797 thousand compared to the previous year and broken down as follows:

(in Euro thousands)	2022	2021
Revenues from sales and services	27,723	26,207
Dividends from subsidiaries	64,768	83,082
Total	**92,491**	**109,288**

Revenues from subsidiary dividends amounted to Euro 64,768 thousand and concern those received during the year from the subsidiaries Tecnimont S.p.A. for Euro 40,000 thousand, KT-Kinetics Technology S.p.A. for Euro 8,593 thousand and Stamicarbon B.V. for Euro 16,175 thousand.

Revenues from sales and services were Euro 27,723 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)	2022	2021
Cost recoveries	1	1
Insurance indemnities	0	2
Gains on disposals	2	0
Operating currency gains	3,437	1,744
Other income	5,439	5,523
Total	**8,879**	**7,270**

Other operating revenues in the year amounted to Euro 8,879 thousand and concerned principally “Other 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 3,437 thousand, concern the net gain between currency gains and losses; the increase follows currency market movements;

41.3. Raw materials and consumables

Raw materials and consumables costs for the year were Euro 35 thousand.

The breakdown of the account is as follows:

(in Euro thousands)	2022	2021
Consumables	(17)	(19)
Fuel	(18)	(15)
Total	**(35)**	**(34)**

The account principally concerns the purchase of stationary for Euro 17 thousand and fuel consumption for Euro 18 thousand for company vehicles.

41.4. Service costs

Service costs for the year amount to Euro 23,637 thousand, an increase of Euro 4,182 thousand on the previous year.

The breakdown of the account is as follows:

(in Euro thousands)	2022	2021
Utilities	(262)	(223)
Maintenance	(477)	(433)
Consultants and related services	(3,982)	(3,986)
Director and Statutory Auditor Remuneration	(2,562)	(2,191)
Bank expenses and sureties	(344)	(595)
Selling & advertising costs	(804)	(572)
Accessory personnel costs	(5,731)	(4,257)
Post & telephone and similar	(12)	(15)
Insurance	(881)	(340)
Increase in internal work capitalized	0	396
Other	(8,582)	(7,238)
Total	**(23,637)**	**(19,454)**

Consultants and related services include professional fees, principally legal services and consultancy and administrative services and audit and tax and commercial consultancy fees.

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 38,187 thousand, an increase of Euro 8,976 thousand compared to the previous year.

(in Euro thousands)	2022	2021
Wages and salaries	(30,282)	(21,806)
Social security contributions	(6,104)	(5,890)
Post-employment benefits	(1,726)	(1,415)
Other costs	(75)	(100)
Total	**(38,187)**	**(29,211)**

The workforce at December 31, 2022 numbered 197, increasing 25 on the previous year; the average headcount increased from 170 to 182.

The movement in the company's workforce by category is as follows:

Category	Workforce 31/12/2021	Hires	Departures	Inter-company transfers	Promotions	Workforce 31/12/2022
Executives	56	0	(2)	14	0	68
Managers	65	13	(10)	(1)	2	69
White-collar	51	16	(9)	4	(2)	60
Blue-collar	0	0	0	0	0	0
Total	172	29	(21)	17	0	197
Average headcount	170					182

In 2022 personnel expenses rose due to the increase in the workforce as 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.

The same period of the previous year also included the proceeds related to the previous 2019-2021 LTI plan, the objectives of which could no longer be achieved, and this helped to reduce personnel expense.

In 2022 the objectives related to the previously activated incentives and engagement systems were verified and a portion of annual bonuses (MBOs), profit sharing for 2021, and the flexible benefits portion of the MAIRE4YOU Plan for the same period were distributed.

We also note that, having verified the achievement of the Second Cycle (2021) performance objectives included in the ordinary 2020-2022 General Share Plan, the Board of Directors met on May 25 to approve the allocation of shares to more than 4,000 beneficiaries.

"Personnel expense" also includes in 2022 the portion of the long-term incentive plan dedicated to the Chief Executive Officer and selected Senior Executives (LTI 2021-2023), to the first year of the new LTI referring to the three-year period 2022-2024 (LTI Plan 2022-2024), aimed at ensuring the continuation of the sustainable value growth path pursued in previous years, and to the third Cycle (year2022) of the 2020-2022 General Share Plan.

The aforementioned plans are represented as "Equity Settled" plans as the Company has allocated its own equity instruments as additional remuneration for the services received (the work performance). The total cost of these plans in 2022 amount to Euro 5,704 thousand; also based on the fair value of the equity instruments of Euro 3.726 per share for the LTI 2021-2023, Euro 2.554 per share for the LTI 2022-2024, and Euro 2.418 per share for the 2020-2022 General Share Plan 2020-2022.

"Personnel expense" also includes the estimated charges related to the short-term monetary incentive plans ("MBO"), plans to employees of flexible benefits ("Maire4You") and the estimated participation bonus for 2022.

41.6. Other operating costs

Other operating costs in the year amounted to Euro 1,232 thousand, an increase of Euro 260 thousand compared to the previous year. The breakdown of the account is as follows:

(in Euro thousands)	2022	2021
Hire	(31)	(14)
Rental	(95)	(64)
Other costs	(1,106)	(894)
Total	**(1,232)**	**(972)**

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.

Other costs of Euro 1,106 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 amount to Euro 1,306 thousand, an increase of Euro 404 thousand compared to the previous year.

The breakdown of the account is as follows:

(in Euro thousands)	2022	2021
Amortization	(322)	(96)
Depreciation	(120)	(154)
Depreciation of rights-of-use - Leasing	(864)	(651)
Total	**(1,306)**	**(901)**

Amortization of intangible assets of Euro 322 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 120 thousand and concerns EDP, miscellaneous equipment and improvements at the Rome offices in Piazzale Flaminio.

The depreciation of right-of-use - leasing of Euro 864 thousand concerns the usage rights recognized on the buildings and motor vehicles.

41.8. Write-downs of current receivables & liquidity

(in Euro thousands)	2022	2021
Write-downs of current receivables & liquidity	(1,100)	0
Total	**(1,100)**	**0**

The account, amounting to Euro 1,100 thousand, refers to the receivable in dispute with the Region of Calabria. 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 Court of Cassation appeal was delivered on 20/6/14; the Region of Calabria had not served a counter-appeal. During 2022, the Court of Cassation rejected the appeal brought by the contractors (including Maire Tecnimont) against the nullity of the arbitration award. At present, together with the other companies, a new arbitration is being considered, but at the moment given the continuing uncertainties the claim has been fully written down.

41.9. Financial income

(in Euro thousands)	2021	2021
Income from subsidiaries	20,599	18,567
Other income	446	10
Income on derivatives	826	10,157
Total	**21,871**	**28,734**

Income from subsidiaries of Euro 20,599 thousand concerns interest matured on loans, financial instruments classified as loans and receivables valued at amortized cost, granted to Neosia Renewables

S.p.A, to Met Development S.p.A and to Met Dev 1 S.r.l., while the Company has adopted with its subsidiaries systems of concentration and centralized cash management (cash pooling) to make the Group's cash flow management more efficient, avoiding the dispersion of liquidity and minimizing MET Gas Processing Technologies S.p.A., MST S.p.A., Met T&S Limited, TCM Philippine and Nextchem S.p.A. and from interest income accrued on current accounts; to this end, please note the charges and other financial costs.

Other income of Euro 446 thousand increased on the previous year as a combined effect of higher interest income and increased current account balances.

Income on derivatives of Euro 826 thousand specifically concerns income arising under the TRES contracts, related to the distribution of dividends by Maire Tecnimont S.p.A., which the intermediary receded to the issuer.

41.10. Financial expenses

(in Euro thousands)	2022	2021
Charges from subsidiaries	(3,780)	(6,209)
Other charges	(12,508)	(11,396)
Interest/Other Bond Charges	(4,933)	(4,898)
Charges on derivatives	(3,454)	0
Financial expenses on rights-of-use	(266)	(152)
Total	**(24,941)**	**(22,655)**

Financial expenses were Euro 24,941 thousand and concern for Euro 3,780 thousand interest charges on loans received from KT-Kinetics Technology S.p.A. and Stamicarbon B.V.. 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. Charges from subsidiaries decreased on the previous year, as in 2022 a loan received from the subsidiary TCM-KT-JV S.r.l. was repaid.

“Other charges”, amounting to Euro 12,508 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. The increase compared to the previous year is related to an increase in gross debt as a result of the increased use of lines of working capital to support short-term needs within the scope of managing the working capital; further increases are related to a general increase in market interest rates that have affected the of the Company’s financial liabilities.

The “Interest Bond” charges, amounting to Euro 4,933 thousand, specifically refer to:

- for Euro 4,738 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 195 thousand interest related to the Euro Commercial Paper Program.

The charges on derivatives equal to Euro 3,454 thousand refer to the net negative fair value change of the residual portion of four 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, 2022 hedged the risk relating to approx. 10.6 million shares. The derivative contracts (TRES) were underwritten with two financial intermediaries, 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. 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 cost related to the TRES is due to the decrease in the Maire Tecnimont stock price in 2022 in response to the situation that came about on the currency markets in response to the international tensions surrounding the Russia-Ukraine crisis and to market uncertainty, which had a negative impact on the share price, although constantly improving over the quarters in 2022.

Right-of-use - Leasing financial expense at Euro 266 thousand concerns the financial expense matured in 2022 on finance lease liabilities recognized following the application of 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.

41.11. Income taxes

(in Euro thousands)	2022	2021
Current income taxes	5,114	(330)
Prior year taxes	916	45
Deferred tax income	251	1,398
Deferred tax charges	(144)	564
Total	**6,137**	**1,677**

Income taxes, which resulted in income of Euro 6,137 thousand (positive amount), increased Euro 4,460 thousand on the previous year, mainly due to the higher income from the tax consolidation in the year. This income, recognized to the current income taxes account, relates to remuneration on the tax losses and the interest expense transferred to the tax consolidation and utilized to determine the Group's assessable income.

Prior year taxes, a positive Euro 916 thousand, reflects the effects of the tax filing as compared to the estimate calculated for the 2021 financial statements.

Deferred tax income of Euro 251 thousand mainly concern the tax effect of the write-down of receivables from the Calabria Region, provisions for personnel incentive plans and unrealized exchange losses, while deferred tax charges of Euro 144 thousand principally concerns the adjustments made following the submission of tax returns.

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., 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	31/12/2022
Income before taxes	**32,803**
Theoretical Rate (*)	24.0%
Theoretical tax charge	7,873
Temporary differences deductible in future years	3,917
Temporary differences assessable in future years	(1)
reversal of temporary differences from previous years:	
Deductible temporary differences	(672)
Taxable temporary differences	0
Total	(672)
Non-reversing differences in future years:	
Increases	6,026
Decreases	(61,561)
Total	(55,535)
Total changes	(52,291)
Assessable income	**(19,488)**
Current taxes (A)	0
Effective IRES rate	0
Effect adhesion to fiscal consolidation	
Temporary differences deductible in future years	(2,342)
Use of prior-year fiscal losses	(0)
Reduction in current taxes (B)	**(19,488)**
Income from the tax consolidation (C)	**(5,239)**
Charge from the tax consolidation (D)	**125**
Substitute tax as per Art. 110 of L.D. 104/2020	**0**
Current income taxes (A) + (B) + (C)	(5,114)

(*) *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 2022 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 109,297 treasury shares, the number of shares in circulation was 328,531,135. This figure was used as the denominator for the calculation of the earnings (loss) per share at December 31, 2022.

Basic earnings per share, net of treasury shares, amounts to Euro 0.118 and down on the previous year, essentially as a result of lower net income for the year, primarily due to increased revenues from dividends received during the year.

(in Euro)	2022	2021
Number of shares in circulation	328,640,432	328,640,432
(Treasury shares)	(109,297)	(197,346)
Number of shares to calculate earnings per share	328,531,135	328,443,086
Net income	38,940,115	73,740,964
Earnings per share (Euro)		
Earnings per share – basic (in euro)	0.118	0.225
Earnings per share - diluted (in euro)	0.118	0.225

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)	2021	Changes in year	2022
Other assets	364	241	605
Total	364	241	605

The following table illustrates the changes in the historical cost, accumulated depreciation and net book values for the year 2022:

(in Euro thousands)	Plant & Equipment	Industrial and commercial equipment	Assets in progress and advances	Other assets	Total
Net book value at December 31, 2021	**0**	**0**	**162**	**202**	**364**
Increases	0	0	361	0	361
Depreciation & write-downs	0	0	0	(120)	(120)
Other changes	0	0	0	0	0
Net book value at December 31, 2022	**0**	**0**	**523**	**82**	**605**
Historic cost	2	20	523	1,262	1,807
Accumulated depreciation	(2)	(20)	0	(1,180)	(1,202)

Fixed assets in progress, amounting to Euro 523 thousand, mainly refers to leasehold restructuring works which have not yet been completed. The decreases concerned depreciation in the year.

For comparative purposes the changes relating to the previous year are shown below:

(in Euro thousands)	Plant & Equipment	Industrial and 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**
Historic cost	2	20	162	1,262	1,446
Accumulated depreciation	(2)	(20)	0	(1,060)	(1,082)

42.2. Other intangible assets

(in Euro thousands)	2021	Changes in year	2022
Concessions, licenses, trademarks and similar rights	3,098	(1)	3,097
Other	11	1,272	1,283
Assets in progress and advances	1,593	(1,593)	0
Total	4,702	(322)	4,380

The following table illustrates the changes in the historical cost, accumulated depreciation and net book values for the year 2022:

(in Euro thousands)	Concessions, licenses, trademarks and similar rights	Other	Assets in progress and advances	Total
Net book value at December 31, 2021	3,098	11	1,593	4,702
Increases	0	0	0	0
Disposals	0	0	0	0
Amortization & write-downs	(1)	(321)	0	(322)
Other changes	0	0	0	0
Cost reclassification/adjustments	0	1,593	(1,593)	0
Net book value at December 31, 2022	3,097	1,283	0	4,380
Historic cost	4,495	6,422	0	10,917
Accumulated amortization	(1,397)	(5,139)	0	(6,536)

Other Intangible Assets recorded a total net increase of Euro 1,272 thousand mainly as a result of the reclassification from fixed assets in progress of the company's business software and which became operational during 2022; the decreases are mainly a result of amortization for the year.

The breakdown of the trademarks with indefinite useful lives is shown in the table below.

(in Euro thousands)	2022
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 and the analyses did not reveal any impairment losses.

For comparative purposes the changes relating to the previous year are shown below:

(in Euro thousands)	Concessions, licenses, trademarks and similar rights	Other	Assets in progress and advances	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**
Historic cost	4,495	4,829	1,593	10,917
Accumulated amortization	(1,397)	(4,818)	0	(6,215)

42.3. Right-of-use - Leasing

(in Euro thousands)	2021	Increases	Disposals	Depreciation for the year	2022
Right-of-use - Leasing - Historical cost	8,430	1,039	(451)	0	9,018
(Right-of-use - Leasing - Accumulated depreciation)	(1,732)	0	314	(864)	(2,282)
Total	**6,698**	**1,039**	**(137)**	**(864)**	**6,736**

The value of Right-of-use recognized according to IFRS 16 at December 31, 2022 was Euro 6,736 thousand, increasing on December 31, 2021 by Euro 38 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 account right-of-use – leasing mainly refers to rights of use recognized for office use buildings and motor vehicles, as follows:

(in Euro thousands)	2021	Changes in year	2022
Buildings	6,217	43	6,260
Other assets	481	(5)	476
Total	**6,698**	**38**	**6,736**

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 777,010 thousand, an increase of Euro 2,989 thousand on the previous year.

(in Euro thousands)	2021	Changes in year	2022
Subsidiaries:			
Investment in Tecnimont S.p.A.	612,383	560	612,943
Investment in MST S.p.A.	26,521	181	26,702
Investment in Neosia Renewables S.p.A.	38,177	(3)	38,174
Investment in Met Development S.p.A.	10,021	(1)	10,020
Investment in KT S.p.A.	27,667	772	28,439
Investment in MET GAS Processing Technologies S.p.A.	8,180	0	8,180
Investment in Stamicarbon B.V.	40,361	423	40,784
Shareholding in Nextchem S.p.A.	10,711	1,051	11,762
Investment in Nextchem Holding S.r.l.	0	6	6
Total	**774,021**	**2,989**	**777,010**

Nextchem Holding S.r.l. was incorporated on December 6, 2022. The Company is held directly by Maire Tecnimont S.p.A. for 56.67% and has the purpose of acquiring holdings in companies or entities, in Italy or overseas, operating in the areas of scientific and technological research, so as to identify areas of significant innovation and technological content and to develop processes, including for the “Energy Transition” and in the “Green Chemicals” and “Circular Energy” sectors. The vehicle was established as part of the Maire Tecnimont Group’s reorganization launched at the end of 2022.

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.

In December 2022, the Shareholders' Meetings of Neosia Renewables S.p.A. and Tecnimont S.p.A. approved the merger plan, which then became effective on February 20, 2023.

Neosia Renewables S.p.A. had specific expertise in the design and construction of advanced power plants for power generation from renewable sources such as wind, solar (photovoltaic), biomass and advanced sources in order to meet the specific demands of the renewables energy market.

The merger is due mainly to the current market dynamics in which the Group operates, and in particular Tecnimont, and in the size and quality of the current backlog and the commercial offers in progress.

The Group provides its clients with a wide range of technological solutions in order to also meet the sustainability goals; The Group therefore promotes, among other matters, the use of "renewable components" in traditional Oil&Gas and petrochemical plants designed and built by Tecnimont.

The growing size and complexity of the EPC (Engineering, Procurement and Construction) projects in the portfolio and, in particular, of those that are currently part of Tecnimont's commercial pipeline, in addition to the ever-increasing requests from clients to functionally integrate the solutions offered by the Group in the "renewable energy" sector (i.e., photovoltaic and/or wind farm) into the design and construction of "traditional" plants, confirms the need to strengthen Tecnimont's internal organization through the inclusion of specific skills that previously were covered by Neosia. These skills, thus internalized, will make the design and execution of increasingly complex projects even more integrated and efficient, ensuring the involvement of resources with the specific technical skills required for this purpose from the bidding stage onward.

On the other hand, with regard to the ongoing global initiatives in the area of "renewable energy" and, in particular, of those having as their object the construction of large-scale plant (mainly solar and wind), intended for the production not only of energy but also of vectors such as hydrogen for subsequent use in integrated production cycles, we report the consolidation of the trend already emerging in recent years that sees the assignment of such projects to industrial groups equipped not only with specific technical skills but also with major organizations dedicated, almost exclusively, to such projects. In this context, Neosia's lean structure did not appear to fully meet the demands of the current market. The integration with Tecnimont will, therefore, enable Neosia's specific technical skills to be enhanced in accordance with the Group's core business.

In December 2022, the Shareholders' Meetings of MET GAS Processing Technologies S.p.A and Tecnimont S.p.A. approved the merger plan, which then became effective on February 21, 2023.

The merger is due mainly to the current market dynamics in which the Group operates, and in particular Tecnimont, and in the size and quality of the current backlog and the commercial offers in progress.

The Group provides its customers with a wide range of technology solutions that increasingly tend toward the integration of both traditional and innovative technology solutions to serve downstream activities.

As a result of the Merger, the commercial agreements were also transferred to Tecnimont which were entered into by MET Gas with the company that currently owns the technologies previously owned by Siluria Technologies Inc., a U.S. company now in liquidation, and in which MET Gas holds a stake of 2.55%, with consequent expansion of the range of technological solutions to be offered on the market.

Finally, the Merger was considered necessary in order to streamline the Maire Tecnimont Group structure and thus guarantee also a reduction in overheads arising from MET Gas and related to corporate, administrative and tax compliance.

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	443,102(*)	100%	443,102	612,943	(169,841)
MST S.p.A.	Via di Vannina 88/94 (RM)	400	Euro	43,938(*)	100%	43,938	26,702	17,236
Neosia Renewables S.p.A.	Via G. De Castillia 6/A (MI)	50	Euro	6,398 (**)	100%	6,398	38,174	(31,776)
MET Development S.p.A.	Via G. De Castillia 6/A (MI)	10,005	Euro	18,364 (*)	100%	18,364	10,020	8,344
KT S.p.A.	Viale Castello Della Malian (RM)	6,000	Euro	40,547 (*)	100%	40,547	28,439	12,108
MET Gas Processing Technologies S.p.A.	Via G. De Castillia 6/A (MI)	50	Euro	826 (**)	100%	826	8,180	(7,354)
Stamicarbon B.V.	Sittard-The Netherlands	9,080	Euro	66,601 (*)	100%	66,601	40,784	25,817
Nextchem S.p.A.	Via di Vannina 88/94 (RM)	18,095	Euro	15,608 (*)	56.67%	8,845	11,762	(2,928)
Nextchem Holding	Via di Vannina 88/94 (RM	10	Euro	10 (**)	56.67%	5.66	5.66	0

(*) 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, 2022.

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.

As a result of the general market conditions, the Group – which has been significantly affected by the consequences of international geopolitical tensions and the ongoing effects of the COVID-19 pandemic – has paid special attention to the balance sheet accounts impacted by the uncertain situation and has consequently updated the related estimates.

The analysis of the recoverability of the carrying value of the investments was undertaken in conjunction with an independent expert, utilizing the cash flows based on the 2023 Budget and the 2023-2032 Business Plan approved by the Board of Directors on March 1, 2023. The explicit plan period was assumed to be 10 years in view of the expected growth prospects of the market in which the Group operates, particularly in relation to energy transition activities.

Changing market conditions, rising interest rates, heightening inflation, uncertainty surrounding the general rise in the price of major raw materials, their availability, transportation logistics, and procurement in some markets, has led the Group to update its short-term operating and financial forecasts by means of the 2023 Budget, and to update its Business and Financial Plan.

The assumptions and strategic assumptions underlying the Group's plan update reflect Management's best estimates of the key assumptions underlying business operations, including assessments of international geopolitical tensions.

The underlying assumptions and the corresponding financials take into account the various scenarios summarized in the plan update and are considered appropriate for the impairment test; the analysis was conducted with the support of an independent expert.

The principal assumptions reflected in the 2023 Budget and Business Plan take into account the elevated order backlog existing at December 31, 2022, which also features a more diverse geographic spread than in the recent past.

The market environment is expected to remain challenging, although against a backdrop of rising natural resource prices stemming from a strong recovery in demand for energy, in addition to the Russian-Ukrainian crisis. In this environment, the drive towards transformation infrastructure investment continues, supported by buoyant demand for the various commodities globally and with prices for these products at historic highs, also as a result of the absence, particularly on western markets, of production from plants located in countries affected by the current conflict.

The update of the Group's operating/financial forecasts, given the current uncertainties and as a precautionary measure, excludes future Russian opportunities over the plan period, and at the same time considers a significant increase in the commercial pipeline in those regions where supply no longer met by Russian production will be concentrated.

Energy transition activity forecasts are also reflected in the 2023 Budget and Business Plan. The drive to cut its carbon footprint 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 close focus continues on the industrialization of new proprietary technologies in the circular economy, bioplastics/biofuels, CO_2 capture, hydrogen and green fertilizers sectors.

Finally, the approved 2023-2032 Business Plan also includes ESG (environmental, social and governance) sustainability indicators in relation to the United Nations Sustainable Development Goals; within the Plan, the material topics that formed the basis for updating the "Group Sustainability Plan" were identified and prioritized according to the various business lines and the relative Sustainable Development Goals ("SDGs"). In this way, the Plan links operating-financial and sustainability objectives, allowing for integrated strategic planning. For further details on climate change risk, please refer to the “Risks and uncertainties" section of the Directors’ Report.

The configuration of the value utilized 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 calculation of the recoverable value, the income streams refer to the business planning period, as well as a Terminal Value; specifically, for the investment in Nextchem S.p.A., engaged in the activities related to the energy transition, the explicit period of 10 years was considered, while for the other investments the explicit period of 5 years was considered. 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 of the explicit 5-year plan for all the investments with the exception of the investment in Nextchem S.p.A. which utilized the last 5 years of the 10-year plan.

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 6 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: 1.2 percentage points for the investment in MET Gas Processing Technologies S.p.A.; 3.1 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 1.2 percentage points for the investment in Nextchem S.p.A.

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.

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.	9.9%	11.9%
Investment in MST S.p.A.	10.3%	12.3%
Investment in Neosia Renewables S.p.A.	9.4%	11.4%
Investment in Met Gas Processing Technologies S.p.A.	11.1%	13.1%
Investment in Nextchem S.p.A.	11.0%	13.0%

Growth rate beyond plan period	Lower extreme	Higher extreme
Investment in Tecnimont S.p.A.	0%	5.3%
Investment in MST S.p.A.	0%	0.8%
Investment in Neosia Renewables S.p.A.	0%	3.7%
Investment in Met Gas Processing Technologies S.p.A.	0%	3.8%
Investment in Nextchem S.p.A.	0%	2%

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 0.3 million and for the subsidiary Neosia Renewables which in the worst case scenario indicates a reduction in value of approx. Euro 1.6 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). 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 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)	2021	Change in the year	2022
Financial receivables	282,311	(80,525)	201,786
Total	**282,311**	**(80,525)**	**201,786**

At December 31, 2022, financial receivables amounted to Euro 201,786 thousand; the decrease is due to the reclassification of the short-term portion of loans 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 plus Euribor, in addition to the cost of the SACE Italy Guarantee.

42.6. Financial instruments - Derivatives (Non-current assets)

(in Euro thousands)	2021	Changes in year	2022
Non-current interest rate hedging derivatives	548	3,443	3,991
Total	**548**	**3,443**	**3,991**

The account, amounting to Euro 3,991 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); the increase in positive fair value is related to market performance in the reporting period in relation to expectations of rising interest rates.

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)	2021	Change in the year	2022
Trade receivables beyond 12 months	1,100	(1,100)	0
Long-term Prepaid Expenses	526	(70)	456
Total	**1,626**	**(1,170)**	**456**

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 Court of Cassation appeal was delivered on 20/6/14; the Region of Calabria had not served a counter-appeal. During 2022, the Court of Cassation rejected the appeal brought by the contractors (including Maire Tecnimont) against the nullity of the arbitration award. At present, together with the other companies, a new arbitration is being considered, but at the moment given the continuing uncertainties the claim has been fully written down.

Euro 456 thousand to long-term prepayments.

42.8. Deferred tax assets and liabilities

(in Euro thousands)	2021	Change in the year	2022
Deferred tax assets	2,153	365	2,518
Deferred tax liabilities	(124)	(2,004)	(2,128)
Total	**2,029**	**(1,639)**	**390**

Deferred tax assets and liabilities report a net positive balance of Euro 390 thousand, decreasing Euro 1,639 thousand on the previous year and comprising deferred tax assets for Euro 2,518 thousand and deferred tax liabilities for Euro 2,128 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 2,518 thousand refer mainly to allocations related to employee compensation and incentive policies.

Deferred tax liabilities of Euro 2,128 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 breakdown and changes in the deferred tax assets and liabilities is shown below:

(in Euro thousands)	2021	Provisions	Utilizations	Reclassifications /reversals	2022
Deferred tax assets					
Charges related to remuneration policies and personnel bonuses	1,945	12	-	-	1,957
Other	179	479	(111)	-	547
Post-employment benefits	29	-	(15)	-	17
Interest Rate Swap	-	-	-	-	-
Total deferred tax assets	**2,153**	**491**	**(126)**	**-**	**2,518**
Deferred tax liabilities					
Difference in intangible asset values (Trademarks)	(41)	(51)	-	-	(92)
Unrealized exchange gains	(51)	(92)	-	-	(143)
Interest Rate Swap	(32)	(1,861)	-	-	(1,893)
Total deferred tax liabilities	**(124)**	**(2,004)**	**-**	**-**	**(2,128)**
Total	**2,029**	**1,513**	**(126)**	**-**	**390**

42.9. Trade receivables

(In Euro thousands)	2021	Changes in year	2022
Trade receivables - within 12 months	36	52	88
Subsidiaries - within 12 months	41,451	2,074	43,525
Associates - within 12 months	0	3	3
Total	**41,487**	**2,129**	**43,616**

Trade receivables at December 31, 2022, amount to Euro 43,616 thousand, Euro 88 thousand of which refer to receivables from clients and Euro 43,525 thousand to receivables from subsidiaries:

- Euro 25,116 thousand relate to control and coordination activities, tax, financial and legal services, staff service agreements, Bank Guarantee chargebacks and other chargebacks.
- Euro 300 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 18,109 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.

Receivables from associated companies amount to Euro 3 thousand.

42.10. Current tax assets

(in Euro thousands)	2021	Changes in year	2022
Current tax assets	2,925	3,258	6,183
Other tax assets	35,470	4,428	39,898
Total	**38,395**	**7,686**	**46,081**

Current tax assets at December 31, 2022 amount to Euro 46,081 thousand, increasing Euro 7,686 thousand on the previous year.

Current tax receivables mainly concern various tax refunds of Euro 394 thousand, IRES credits of Euro 5,593 thousand, and IRAP credits of Euro 168 thousand.

Other tax receivables concern receivables for Group VAT paid as tax consolidating company for Euro 39,792 thousand and VAT credits to be used to offset VAT payments for Euro 106 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 2022-2024 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., Cefalù 20 S.c.a.r.l., Met Development S.p.A, MST S.p.A., Tecnimont-KT JV S.r.l., Nextchem S.p.A. and Myrechemical S.r.l. have also applied the Group VAT consolidation regime.

42.11. Financial instruments - Derivatives (Current assets)

(in Euro thousands)	2021	Change in the year	2022
Derivative financial instruments - TRES	1,222	(626)	596
Current interest rate hedging derivatives	0	3,895	3,895
Total	**1,222**	**3,269**	**4,491**

Current asset derivative financial instruments at December 31, 2022 amount to Euro 4,491 thousand, increasing Euro 3,269 thousand compared to December 31, 2021 and concern the fair value measurement of the derivative contracts in force.

The interest rate hedging derivatives, amounting to Euro 3,895 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 increase in positive fair value is related to market performance in the reporting period in relation to expectations of rising interest rates.

The account for Euro 596 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, 2022 hedged the risk relating to approx. 2 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 March 31, 2023. 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 cash-settled Total Return Equity Swaps (TRES) is due to the unfavorable trend in the Maire Tecnimont stock price in 2022 in response to the situation that came about on the currency markets in response to the international tensions surrounding the Russia-Ukraine crisis and to market uncertainty, which had a negative impact on share price.

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)	2021	Changes in year	2022
Financial receivables within 12 months:			
Subsidiaries	182,960	68,837	251,797
Total	**182,960**	**68,837**	**251,797**

Other current financial assets total Euro 251,797 thousand, increasing from the previous year due to the reclassification of the short-term portion of financial receivables.

They are composed as follows:

- Euro 136,256 thousand for financial receivables related to Neosia Renewables S.p.A., MST S.p.A., Met T&S Limited., 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 80,548 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 34,963 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)	2021	Changes in year	2022
Other receivables - within 12 months	1,125	669	1,794
Commercial prepayments	462	50	512
Total	1,587	719	2,306

Other current assets at December 31, 2022 amounted to Euro 2,306 thousand and concerns Euro 512 thousand for prepayments for costs incurred in advance and for Euro 1,794 thousand the receivable from parent companies in respect of the Group's consolidated VAT and deposits.

Again in 2022 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)	2021	Changes in year	2022
Bank and postal deposits	156,841	(99,850)	56,991
Cash in hand and similar	11	(5)	6
Total	156,852	(99,855)	56,997

Cash and cash equivalents at December 31, 2022 amount to Euro 56,997 thousand, a decrease of Euro 99,855 thousand compared to December 31, 2021.

Operating cash flow generated Euro 41,876 thousand, decreasing on 2021 which reported the generation of Euro 71,658 thousand. Cash flow from operating activities in 2022 include the decrease in dividends received from subsidiaries.

Cash flow from investments however absorbed cash of Euro 366 thousand, mainly relating to capex investments.

Financing absorbed cash overall of Euro 141,365 thousand, principally following the distribution of the dividend for Euro 60,105 thousand, the purchase of treasury shares for Euro 2,915 thousand, repayments for approx. Euro 45.6 million of the Maire Tecnimont loan of a nominal Euro 365 million, backed for 80% by SACE's Italy guarantee.

The estimate of the "fair value" of bank and postal deposits at December 31, 2022 approximates their book value.

42.15. Shareholders' Equity

Shareholders' Equity at December 31, 2022 was Euro 470,611 thousand, a net decrease on the previous year of Euro 6,714 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, 2022 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, 2022 amount to Euro 119,256 thousand and comprise:

- Legal Reserve which at December 31, 2022 amounts to Euro 3,510 thousand.
- Restricted Legal Reserve Legislative Decree 104/20, Article 110 at December 31, 2022 amounts to Euro 1,818 thousand.
- Extraordinary reserve at December 31, 2022 amounts to Euro 117,682 thousand.
- IFRS 2 Reserve for Euro 14,854 thousand, which includes both the valuation of the Third Cycle (2022) of the 2020-2022 General Share Plan and the 2021-2023 LTI and 2022-2024 LTI Plans. The Reserve reported a net increase of Euro 8,292 thousand for the year. The movements refer to accruals in 2022 of Euro 12,637 thousand, reductions for utilizations of Euro 3,618 thousand following the delivery to beneficiaries of the shares allocated under the Second Cycle (2021) of the General Share Plan and a reduction for adjustments to prior year values for Euro 727 thousand. The adjustments mainly take account of the proceeds related to the plans of the previous Chief Executive Officer, who resigned in April 2022 and lost the right to the free assignment of the right to receive Maire Tecnimont shares.

  The aforementioned 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.
- Other reserves at December 31, 2022, amounted to a negative Euro 18,285 thousand.
- Treasury shares in portfolio amounting to Euro 324 thousand; Maire Tecnimont S.p.A. launched the treasury share buyback 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 and specifically to service the Second Cycle (2021) of the "2020-2022 General Share

Plan for Maire Tecnimont Group employees" As part of the share buy-back program, between June 20, 2022 and June 23, 2022 inclusive, 1,000,000 treasury shares were acquired (corresponding to 0.304% of the total number of ordinary shares), at an average weighted price of Euro 2.915, for a total amount of Euro 2,914,941.15, and the program was therefore completed. Subsequently, 1,066,269 shares were delivered to the beneficiaries of the Second Cycle (2021) of the 2020-2022 General Share Plan and 21,780 shares for another plan involving the delivery of shares. As of December 31, 2022, the Company, by virtue of the remaining treasury shares from the previous year, the new purchases in 2022 and related deliveries, thus holds a residual 109,297 treasury shares to be used for the next cycle of the long-term 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.

VALUATION RESERVE

The valuation reserve, which at December 31, 2022 was Euro 5,938 thousand, refers partially to the Cash Flow Hedge reserve and the actuarial 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, 2021	102	(103)	(1)
Actuarial gain/(losses)		61	61
Relative tax effect		(14)	(14)
Valuation derivative instruments	7,753		7,753
Relative tax effect	(1,861)		(1,861)
Net book value at December 31, 2022	5,994	(56)	5,938

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)

This amounts to Euro 13,636 thousand following the Shareholders' Meeting decision to carry forward the 2021 profit.

In relation to the equity reserves the following is noted:

AVAILABILITY OF RESERVES FOR DISTRIBUTION

(in Euro thousands)	2022	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 (*)	14,854	B	-
Other reserves	(18,285)		-
Valuation reserve	5,937		
Retained Earnings/(Accum. Losses)	13,636	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)	2021	Changes in year	2022
Bank payables beyond 12 months	375,496	(92,211)	283,285
Total	**375,496**	**(92,211)**	**283,285**

Net of the current portion, financial debt totaled Euro 283,285 thousand, down Euro 92,211 thousand from December 31, 2021, mainly due to the short-term reclassification of a portion of the nominal Euro 365 million loan, backed for 80% by SACE's "Italy Guarantee" and due to the repayment of a principal amount of Euro 45.6 million of the same loan.

At December 31, 2022, financial debt net of the current portion was composed as follows:

- Euro 228,501 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 (the long-term portion totaled Euro 320,818 thousand at December 31, 2021).

  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 Euribor, 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 2022 figures.

- For Euro 54,784 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 (the long-term portion totaled Euro 54,678 thousand at December 31, 2021).

  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 was originally divided in two tranches (Euro 7.5 million repaid in 2022 and Euro 55 million maturity in 2024) with an average duration of approx. 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, 2022.

42.17. Provisions for charges - beyond 12 months

(in Euro thousands)	2021	Changes in year	2022
Provisions for charges beyond 12 months	0	2,014	2,014
Total	**0**	**2,014**	**2,014**

The balance of provisions for charges beyond 12 months increased on the previous year by Euro 2,014 thousand.

The main increases concern the likely expenses related to employment policies for the current year, primarily for short and medium-term monetary incentive plans (MBO), including the deferred component beyond 12 months.

Further increases refer to the provision for some personnel disputes.

The following table indicates the movements in provisions in 2022:

(in Euro thousands)	2021	Provisions	Utilizations	Reclassifications/Releases	2022
Provision for personnel charges	0	2,014	0	0	2,014
Total	**0**	**2,014**	**0**	**0**	**2,014**

42.18. Post-employment & other employee benefits

(in Euro thousands)	2021	Change in the year	2022
Post-employment & other employee benefits	498	4	502
Total	**498**	**4**	**502**

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, 2022.

The changes in this liability in 2022 are shown below:

(in Euro thousands)	POST-EMPLOYMENT BENEFIT PROVISION
Balance at December 31, 2021	**498**
+ costs relating to current employee services	0
+ net actuarial losses/(profits)	6
+ financial charges on obligations undertaken	(2)
+ other changes	0
- Utilizations	0
Balance at December 31, 2022	**501**

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:

- With reference to the inflationary parameter, the general economic environment outlined in the most recent Economy and Finance Document and Update Note with respect to the date of intervention was examined, assuming a rate of 3.0% for 2023, 2.5% for 2024 and 2.0% from 2025 onward;
- 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 30.12.2022;
- Workforce reference: for the internal workforce subject to analysis of Maire Tecnimont S.p.A., the average age and length of service were respectively 44.5 and 10 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, 2022, a change of +0.5% in the discount rate applied to the calculation would produce a positive effect equal to Euro 17 thousand and in the same manner a change of -0.5% would produce a negative effect of Euro 18 thousand. A change of +0.5% in the inflation rate applied to the calculation would produce a negative effect of Euro 11 thousand and in the same manner a change of -0.5% would produce a positive effect of Euro 11 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)	2021	Change in the year	2022
Tax payables beyond 12 months	19	(19)	0
Total	19	(19)	0

The account decreased on the previous year and 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 and was therefore reclassified under “Other current liabilities”.

42.20. Other non-current financial liabilities

(in Euro thousands)	2021	Changes in year	2022
Ordinary bonds within one year	164,032	407	164,440
Total	164,032	407	164,440

Other non-current financial liabilities at December 31, 2022 amount to Euro 164,440 thousand, an increase of Euro 407 thousand compared to December 31, 2021.

“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 163,032 thousand at December 31, 2021).

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, 2022 figures.

Maire Tecnimont is currently not aware of any default situations of the above-mentioned covenants, which have been complied with to date.

42.21. Financial liabilities - Leasing

(in Euro thousands)	2021	Increases	Disposals	Interest	Payments	2022
Financial liabilities - Leasing	6,627	1,039	(134)	266	(1,054)	6,744
Total	**6,627**					**6,744**
of which:						
Non-current financial liabilities - Leasing	*5,917*					*6,059*
Current financial liabilities - Leasing	*710*					*684*
Total	***6,627***					***6,744***

The value of current and non-current financial leasing liabilities related to Right-of-Use at December 31, 2022 was Euro 6,744 thousand, of which Euro 684 thousand short term and Euro 6,059 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 2022, 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 application of IFRS 16 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, 2022 presented according to future cash flows, inclusive of interest:

(in Euro thousands)	2022
Current financial liabilities - Leasing	883
Non-current financial liabilities - Leasing	7,532
Total	**8,415**

(in Euro thousands)	Due within 1 year	Due between 1 & 5 years	Due beyond 5 years	Total
Financial liabilities - Leasing	883	2,983	4,549	8,415
Total	**883**	**2,983**	**4,549**	**8,415**
Of which Capital portion				*6,744*

42.22. Short-term financial payables

(in Euro thousands)	2021	Changes in year	2022
Bank payables	53,201	40,089	93,290
Total	**53,201**	**40,089**	**93,290**

Current financial debt totaled Euro 93,290 thousand, up Euro 40,089 thousand from December 31, 2021, due mainly to the short-term reclassification of a portion of financing with a nominal value of Euro 365 million, 80% backed by SACE's "Italy Guarantee".

At December 31, 2022, short-term bank payables mainly refer to the current portion of non-current debt:

- for Euro 92,315 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., of which a nominal approx. Euro 22.8 million repayable in each quarter until December 31, 2023.

The other short-term bank borrowings mainly refer to:

- Euro 975 thousand in interest due on loans and bonds and bank overdrafts matured and not yet paid.

During 2022, Maire Tecnimont repaid a tranche of Euro 7.5 million of the ESG Linked Schuldschein Loan.

The estimate of the "fair value" of these financial instruments, calculated as indicated in the accounting policies section, at December 31, 2022 substantially approximated their book value.

The breakdown by maturity of the gross financial debt is reported in the financial risks section.

The following table reports the company's net financial debt at December 31, 2022 and December 31, 2021, in line with Consob communication No. DEM/6064293/2006 of July 28, 2006:

NET FINANCIAL DEBT MAIRE TECNIMONT			
	In Euro thousands	**31.12.2022**	**31.12.2021**
A.	Cash	(56,997)	(156,852)
B.	Other liquidity	-	-
C.	Other current financial assets	(252,393)	(184,182)
D.	**Liquidity (A+B+C)**	**(309,390)**	**(341,035)**
E.	Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	321,565	356,529
F.	Current portion of non-current bank payables	92,315	52,377
G.	**Current financial debt (E+F)**	**413,880**	**408,907**
H.	**Net current financial debt (G-D)**	**104,490**	**67,872**
I	Non-current financial debt (excluding current portion and debt instruments)	289,345	381,412
J.	Debt instruments	164,440	164,032
K.	Trade payables and other non-current payables	-	-
L.	**Non-current financial debt (I+J+K)**	**453,784**	**545,445**
M.	**Total financial debt (H+L)**	**558,274**	**613,317**

The following table presents the reconciliation between the net financial debt and the net financial position of the company at December 31, 2022 and December 31, 2022:

RECONCILIATION NFD & NFP			
	In Euro thousands	**31.12.2022**	**31.12.2021**
M.	**Total financial debt**	**558,274**	**613,317**
	Other non-current financial assets	(201,786)	(282,311)
	Derivative financial instruments	(7,886)	(134)
	Finance lease payables IFRS 16	(6,744)	(6,627)
Adjusted Net Financial Position		**341,857**	**356,251**

42.23. Provisions for charges within 12 months

(in Euro thousands)	2021	Changes in year	2022
Provisions for charges - within 12 months	8,109	(1,842)	6,266
Total	**8,109**	**(1,842)**	**6,266**

The provision for charges within 12 months amounts to Euro 6,266 thousand, a decrease of Euro 1,842 thousand compared to December 31, 2021.

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 2022 and the short and medium term MBO plans for the portion due within 12 months.

The decrease in the year is essentially the result of the payment in 2022 of the employee plans, and specifically the flexible-benefit plans, the profit-sharing bonus for 2022, and the short and medium-term monetary incentive plans (MBO) for 2022, net of new provisions for short-term plans for 2022 which were on average lower than the previous year.

The following table indicates the movements in provisions in 2022:

(in Euro thousands)	2021	Provisions	Utilizations	Reclassifications/ Releases	2022
Provision for personnel charges	8,109	7,442	(9,627)	342	6,266
Total	**8,109**	**7,442**	**(9,627)**	**342**	**6,266**

42.24. Tax payables

(in Euro thousands)	2021	Changes in year	2022
Trade payables	3,016	(2,438)	578
Total	**3,016**	**(2,438)**	**578**

Tax payables amount to Euro 578 thousand and concern:

- the substitute tax pursuant to Article 110, paragraphs 8 and 8-bis, of Decree Law 104/2020, in the amount of Euro 19 thousand, which Maire Tecnimont will have to pay in 2023.
- tax payables in the amount of Euro 559 thousand for employee IRPEF relating to December 2022, paid in January 2023.

42.25. Financial instruments - Derivatives (Current liabilities)

(in Euro thousands)	2021	Change in the year	2022
Current interest rate hedging derivatives	415	(415)	0
Derivative financial instruments - TRES	139	2,827	2,966
Total	**553**	**2,413**	**2,966**

Current derivative financial instrument liabilities at December 31, 2022 amount to Euro 2,966 thousand and refer to:

- Interest rate derivatives have a zero balance as a result of the trend in the fair value of the instrument, which had an asset balance at December 31, 2022.
- The account for Euro 2,966 thousand concerns the negative fair value of the residual portion of three 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 instrument as at December 31, 2022 hedged the risk relating

to approx. 8.6 million shares. The derivative contracts (TRES) were underwritten with two financial intermediaries, 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. The contracts are expected to conclude by December 31, 2023, for a total of 3.6 million shares and by May 2024 for the remaining 5 million shares. 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 Swaps (TRES) is due to the unfavorable trend in the Maire Tecnimont stock price in the first half of 2022 in response to the situation that came about on the currency markets in response to the international tensions surrounding the Russia-Ukraine crisis and to market uncertainty, which had a negative impact on share price.

For further information and analysis of the Fair Value Hierarchy, reference should be made to the “FINANCIAL RISKS” section.

42.26. Other current financial liabilities

(in Euro thousands)	2021	Change in the year	2022
Other current financial liabilities	171,856	30,584	202,440
Payable to subsidiaries	183,000	(71,000)	112,000
Other current financial liabilities - Euro Commercial Paper (ECP)	0	2,500	2,500
Total	**354,856**	**(37,916)**	**316,940**

Other current financial liabilities at December 31, 2022 amount to Euro 316,940 thousand, a decrease of Euro 37,916 thousand compared to December 31, 2021.

“Other current financial liabilities” may be broken down as follows:

- for Euro 202,440 thousand concerning 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.
- for Euro 112,000 thousand to payables to subsidiary companies for intercompany loans and relating to payables to Stamicarbon B.V of Euro 5,000 thousand and payables to KT S.p.A. of Euro 107,000 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.
- for Euro 2,500 thousand to the liability related to the Euro Commercial Paper Program. In this regard we note that in 2022 Maire Tecnimont S.p.A. launched its first Euro Commercial Paper Program for the issue of one or more non-convertible notes placed with selected institutional investors, unrated and with a duration of three-years. The maximum aggregate amount of Notes issued and not redeemed under the ECP shall not exceed, at any time, Euro 150 million. The Notes shall 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. The ECP Program will not be guaranteed by any company belonging to the Maire Tecnimont Group or a third party. Subject to compliance with all applicable legal and regulatory provisions, the Notes 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.
On December 19, 2022, the Board of Directors of Maire Tecnimont S.p.A. met and resolved to update the Program's pricing to better reflect changed market conditions, subject to the other terms and conditions of the Program. Specifically, the notes may have fixed or floating rate coupons. The cost of each individual note will be determined at the time of note issuance and in any case may not exceed 6% p.a. Notes may be issued at a discount or premium and may not be less than 94% or more than 106% of the face value of the note.

At December 31, 2022, the Euro Commercial Paper Program had been utilized for Euro 2.5 million, with maturity of the notes January 2023. The average weighted interest rate on outstanding financial liabilities was approx. 2%; in 2022, notes totaling Euro 196.9 million were issued, with reimbursements of Euro 194.4 million, with an average weighted interest rate on all financial liabilities which was approx. 0.67%.

42.27. Trade payables

(in Euro thousands)	2021	Changes in year	2022
Suppliers - within 12 months	4,508	515	5,024
Subsidiaries - within 12 months	5,721	(1,931)	3,790
Parent companies - within 12 months	79	170	249
Total	10,308	(1,245)	9,063

This account amounts to Euro 9,063 thousand and decreased on the previous year Euro 1,245 thousand.

Payables to suppliers of Euro 5,024 thousand concern trade payables for ordinary operations.

Payables to subsidiaries amount to Euro 3,790 thousand, decreasing on the previous year and relate to interest expense on loans received from subsidiaries, in particular, Tecnimont S.p.A and KT - Kinetics Technology S.p.A and other services received; in particular Maire Tecnimont structurally benefitted from services provided, including the availability of office spaces, in addition to the provision of other related services (general services, facilities, security, equipment) and other AFC services and personnel management.

Payables to parent companies for Euro 249 thousand relate to the payable to G.L.V. Capital S.p.A., mainly relating to property leases to the Maire Tecnimont Group.

42.28. Other current liabilities

(in Euro thousands)	2021	Changes in year	2022
Payables due to social security institutions	1,020	162	1,182
Matured by personnel, not yet settled	585	(186)	399
Other payables	39,157	2,990	42,147
Total	40,762	2,966	43,728

Other current liabilities at December 31, 2022 amount to Euro 43,728 thousand, increasing Euro 2,966 thousand on December 31, 2021.

The payables to social security institutions mainly refer to payables to the INPS and other social security provisions related to December 2022, paid in January 2023, with the remainder comprising the estimated contributions accrued by personnel and unpaid (Vacation and 14th month).

The matured by personnel and not yet settled account of Euro 399 thousand all refer to payables for vacations accrued and untaken and the 14th month pay.

At December 31, 2022, there were no overdue social security positions or overdue salary payables.

Other payables in the amount of Euro 42,147 thousand concern amounts payable to subsidiaries for group VAT. This is an increase of Euro 2,990 thousand from the previous year and mainly concerns the VAT payable to the subsidiary Tecnimont S.p.A.

Again in 2022 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 did not receive contributions and grants in 2022.

43. Commitments and contingent liabilities

Maire Tecnimont S.p.A financial guarantees at December 31, 2022 and December 2021 were as follows:

FINANCIAL GUARANTEES *(in Euro thousands)*	2022	2021
Guarantees granted in the interest of the Company		
Sureties issued by third parties in favor of third parties	171,968	173,970
Total Guarantees	**171,968**	**173,970**

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.r.l., 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.

Commitments

The 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 16,213 million, including works already executed and the residual backlog at December 31, 2022.

44. Related party transactions

In view of the transactions carried out by Maire Tecnimont in 2022, 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 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.

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.

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 (Stamicarbon B.V. 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, MET T&S Limited, 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. and 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., 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, Nextchem S.p.A., MyRechemical S.r.l.).

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, 2022, Maire Tecnimont had paid contributions amounting to Euro 70 thousand and rendered various services to the Foundation for a total value of approximately Euro 53 thousand.

With reference to the related party transactions reported, such were concluded in the interest of Maire Tecnimont S.p.A..

The Company’s receivables/payables and cost/revenue transactions with related parties for 2022 are presented in the tables below:

(Euro thousands) 31/12/2022	Trade Receivables	Trade Payables	Financial Receivables	Financial Payables	Receivables (payables) for VAT consolidation	Receivables (payables) for fiscal consolidation	Receivables for excess IRES ceded	Receivables (payables) for cash pooling	Revenues	Costs	Financial Income	Financial Expense
Tecnimont S.p.A.	14,466	(1,044)	107,044		(34,283)	10,946		(177,132)	28,196	(3,879)	13,784	(132)
KT S.p.A.	6,194	(764)	175,260	(107,000)		7,876		11,318	4,693	(366)	2,938	(2,566)
Neosia Renewables S.p.A.	239		41,330		(205)	(118)		507			926	
Stamicarbon B.V.	70	(104)						(18,484)	235	(4)	8	(108)
Met Gas Processing Technologies S.p.A.	3		26		(11)	(15)		5	10		2	
G.L.V Capital S.p.A.		(251)								(809)		
MST S.r.l.	439	(4)	59,413		(3,025)	(474)		(313)	341	(237)	1,398	(3)
Met Development S.p.A.	135		14,000		689	(200)		(403)	219		317	
Met Dev 1 S.r.l.	11		1,834			1,192		1,562			37	
OOO MT Russia	101								186		325	
TPI	46	(152)							16		3	
TCM France	46	(678)										
MET T&S LIMITED	230	(1)	9,000					(483)	7		172	(1)
Cefalù S.c.a.r.l.	15				(282)		300				5	
Tecnimont Private Limited	1,602								40		85	
Tecnimont México	1								5			
Tecnimont USA Inc.	10								5			
Tecnimont Arabia Ltd	48								5		16	
MyReplast Industries Srl	10											
MyRechemical					91			(313)				
Met Newen Mexico S.A. de C.V.	762								99		11	
Biolevano S.r.l.	3								11			
Cosorzio Turbigo 800									1			
Nextchem S.p.A	143	(1,043)	8,574		677			577	40	(1,027)	374	
TCM Nigeria											23	
TCM Philippines	62		2,110								54	
TCM-KT JV S.r.l.	15				(4,232)	(1,098)		15,683			105	(970)
kt india	1											
Esperia										(48)		
TCM/Valesstroy												
TCM Egitto	447											
Stamicarbon USA	1			(5,000)								
KT Arabia	10										10	
Transfima Geie	8										8	
Fondazione Maire Tecnimont	65								53	(70)		
Luigi Alfieri		(63)								(338)		
Totale	**25,184**	**(4,105)**	**418,590**	**(112,000)**	**(40,583)**	**18,109**	**300**	**(167,477)**	**34,164**	**(6,778)**	**20,599**	**(3,779)**

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

31/12/2022 *(in Euro thousands)*	**Remuneration**
Directors	5,715
Statutory Auditors	200
Total	**5,915**

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 2022 Corporate Governance and Ownership Structure Report and the 2023 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, 2022 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, 2022, Trade receivables within and beyond 12 months respectively were Euro 43,617 thousand and Euro 456 thousand. A summary of the trade receivables and the relative doubtful debt provisions is reported below:

(Euro thousands)	Overdue at 31/12/2022				
	Not overdue	Up to 365 days	From 366 to 731 days	Over 731 days	Total
TRADE RECEIVABLES	33,380	8,947	671	618	43,616
OTHER NON-CURRENT ASSETS	456	0	0	0	456
Total Trade Receivables	33,836	8,947	671	618	44,072
Of which:					
Within 12 months (Note 42.9)					43,616
Beyond 12 months (Note 42.7)					456

For comparative purposes, the prior year amounts are presented 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

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 following table analyses the breakdown and maturities of financial liabilities according to non-discounted future cash flows:

31/12/2022 *(In Euro thousands)*	Due within 1 year	Due between 1 & 5 years	Due beyond 5 years	Total
Financial debt - non-current portion	1,258	300,090	0	301,349
Other non-current financial liabilities	4,331	167,166	0	171,497
Short-term debt	107,300	0	0	107,300
Other current financial liabilities	320,135	0	0	320,135
Finance lease Liabilities - current and non-current	883	2,983	4,549	8,415
Financial instruments - Current and non-current derivatives	2,966	0	0	2,966
Total financial liabilities (current and non-current)	**436,873**	**470,239**	**4,549**	**911,661**

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; 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 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.

The repayment of Maire Tecnimont S.p.A.'s short-term financial liabilities is guaranteed by cash and cash equivalents amounting to Euro 56,997,000 at December 31, 2022, by other current financial assets of Euro 252,393,000 that essentially represent the Intercompany assets under the centralized cash pooling system and by the forecasts for 2023 related to operations, essentially connected to the collection of dividends from subsidiaries.

The following table shows the lines of credit available to the Company as of December 31, 2022, broken down by type, distinguishing between amounts granted and used:

Lines of credit granted to and used by the Group as of December 31, 2022			
Description	Amt. Granted (€)	Amt. Used (€)	Amt. available
Overdraft facilities, revolving facilities and lines of credit	95,500,000	0	95,500,000
European Commercial Paper	150,000,000	2,500,000	147,500,000
M/L loans - Bonds	539,375,000	539,375,000	-
Total	**689,375,008**	**541.875.00**	**243,000,000**

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 was originally divided in two tranches (Euro 7.5 million repaid in 2022 and Euro 55 million maturity in 2024) with an average duration of approx. 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 2022 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 2022 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 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.

During 2022, repayments were made for a total principal amount of Euro 45.6 million. At December 31, 2022, a debt remains of approx. Euro 228.5 million classified beyond 12 months and approx. Euro 92.3 million classified as short-term of which approx. Euro 22.8 million nominal, repayable quarterly until December 31, 2023.

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 2022 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 2022 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.

Values at 31/12/2022 (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	201,786				201,786
Other non-current assets	0				0
Trade receivables	25,507				25,507
Financial instruments - Derivatives		4,491			4,491
Other financial assets	251,797				251,797
Other current assets	2,306				2,306
Cash	56,997				56,997
Total	**538,393**	**4,491**	**0**	**0**	**542,884**

(*) "Level 2" of the Fair-Value
(**) "Level 3" of 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	0	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 31/12/2022 (in Euro thousands)	Financial Liabilities - Amortized Cost	Derivative Instruments - Fair value (*)	Derivative Instruments - Hedge Accounting - Fair Value (*)	Total
Financial debt - non-current portion	283,285			283,285
Other non-current financial liabilities	164,440			164,440
Short-term debt	975			975
Finance lease Liabilities - current and non-current	6,744			6,744
Current and non-current financial instruments-derivatives		2,966		2,966
Other current financial liabilities	316,940			316,940
Trade payables	9,036			9,036
Other current liabilities	43,944			43,944
Total	**825,364**	**2,966**	**0**	**828,330**

(*) “Level 2” of the 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

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 2022 for services carried out by the audit firm.

Type of service *(in Euro thousands)*	Provider	Company	2022 Fees
Audit	PricewaterhouseCoopers S.p.A.	Maire Tecnimont S.p.A.	281
Certification services *	PricewaterhouseCoopers S.p.A.	Maire Tecnimont S.p.A.	4
Other services **	Pricewaterhousecoopers Network	Maire Tecnimont S.p.A.	483
	PricewaterhouseCoopers S.p.A.	Maire Tecnimont S.p.A.	79

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, the assignment for the methodological support in technical assistance for National and European Financing Programs and an analysis of the reporting of a number of ESG parameters required by the ESG Linked Schuldschein Loan of Maire Tecnimont.

47. Significant non-recurring events and operations

In 2022, 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, 2022

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 Alessandro Bernini, as “Chief Executive Officer” and Fabio Fritelli, as “Executive Officer for Financial Reporting” of MAIRE TECNIMONT S.p.A. declare, 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, 2022.
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, March 1, 2023

The Chief Executive Officer	The Executive Officer for Financial Reporting
Alessandro Bernini	**Fabio Fritelli**

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 2022 financial statements, which report net income of Euro 38,940,115.46.

We therefore invite you to approve the Separate Financial Statements of Maire Tecnimont S.p.A. at December 31, 2022, which presents net income of Euro 38,940,115.46, 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.

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 38,940,115.46 to shareholders as dividend.

In addition, taking account that the financial statements include "Retained earnings" for a total amount of Euro 13,635,878.84, to be fully considered attributable to the retained earnings recognized at December 31, 2021, we propose the distribution of a unitary dividend of Euro 0.124, gross of legal withholdings, for each of the 328,531,135 ordinary shares in circulation, and therefore for a total Euro 40,737,860.74,[5] to be attributable Euro 1,797,745.28 from "Retained earnings" and Euro 38,940,115.46 from the 2022 net income.

It is also proposed to settle the above dividend from April 26, 2023 ("payment date"), with dividend coupon of April 24, 2023 ("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 25, 2023 ("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 Chief Executive Officer may allocate to and/or withdraw from the proposed retained earnings the amount of the dividend to which such shares are entitled.

Milan, March 1, 2023

On behalf of the Board of Directors

the Chairperson

[5] The total proposed dividend amounts to Euro 0.124 for each share, taking into account the 109,297 treasury shares held in portfolio by Maire Tecnimont at March 1, 2023, date of approval of the proposal by the Board of Directors of the Company as per the illustrative report. 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, 2022 (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 such purposes, the Board of Statutory Auditors:

- attended the meetings of the Board of Directors, of the Internal Board Committees and the meetings of the Independent Directors of the company;
- undertook the ongoing exchange of information with the Executive Officer for Financial Reporting, with the Administrative, Fiscal Affairs, Internal Audit, Legal Affairs & Contracts, Compliance, Risk Management, Special Initiatives and Regions Coordination and Sustainability Reporting and Group Sustainability and Corporate Advocacy functions of the company,
- undertook the ongoing exchange of information with the Boards of Statutory Auditors of the main subsidiaries, with the Supervisory Board ("**SB**") tasked with overseeing

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the efficacy, compliance and updating of the Organisation, Management and Control Model for the purposes of Legislative Decree No. 231/01 of the Company and those of the main Italian subsidiaries;
- undertook ongoing meetings with PricewaterhouseCoopers S.p.A. ("**PWC**"), the legally-appointed auditor of the company, for the Legal Audit and, as the Designated Auditor, to verify compliance regarding the Non-Financial Statement as per Legislative Decree No. 254/2016 (the "**Non-Financial Statement**" or "**NFS**") and the issue of the relative report (limited assurance engagement).

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 8, 2022, and comprises:

- Mr. Francesco Fallacara (Chairperson)
- Ms. Marilena Cederna (Statutory Auditor);
- Mr. Andrea Bonelli (Statutory Auditor).

Mr. Massimiliano Leoni, Ms. Mavie Cardi and Mr. Andrea Lorenzatti are Alternate Auditors.

The mandate of the Board of Statutory Auditors concludes at the Shareholders' Meeting called to approve the 2024 Annual Accounts.

It should be noted that in the period between January 1, 2022 and April 8, 2022 - the date on which the Company's Shareholders' Meeting was held, which, as indicated above, appointed the Board of Statutory Auditors currently in office - Maire Tecnimont's Board of Statutory Auditors was composed as follows:

- Mr. Francesco Fallacara (Chairperson);
- Ms. Antonia Di Bella (Statutory Auditor);
- Mr. Giorgio Loli (Statutory Auditor).

In the period indicated above, Mr. Massimiliano Leoni, Ms. Alessandra Conte and Mr. Andrea Lorenzatti were Alternate Auditors.

Considering that outlined above, it is therefore stated that the matters reported herein, where undertaken in the period between January 1, 2022 and April 8, 2022, shall be considered as the work of the Board of Statutory Auditors then in office, previously chaired by Mr. Francesco Fallacara, confirmed by the Shareholders' Meeting of April 8, 2022 as the Chairperson of the Board of Statutory Auditors of Maire Tecnimont also for the 2022-2024 mandate.

The main offices held by the members of the Board of Statutory Auditors are also indicated in the "*Corporate Governance Ownership Structure Report 2022*" 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 draft financial statements of the company at December 31, 2022, as approved by the Company's Board of Directors on March 1, 2023, 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, 2022, 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, 2022, the Inline XBRL markings of the information according to the taxonomy indicated in the aforementioned ESEF Regulation.

The separate financial statements and the consolidated financial statements at December 31, 2022, of Maire Tecnimont include the statements of 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 and subsequent integrations, enacting the related party 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.

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 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 2022, 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 Maire Tecnimont Foundation and 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 categorised 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 analysed were categorised 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 favour of such transactions.

It should also be noted that, in 2022, no "Significant Transaction", as defined by the RPT Policy, were carried out.

For the sake of completeness of information, it should be noted that, as of the date of this report, the Board of Directors of Maire Tecnimont, in its meeting of March 1, 2023, resolved - subject to the reasoned binding favourable opinion of the Related Parties Committee - to approve a "Significant Transaction", pursuant to the RPT Policy, as specifically illustrated in the Disclosure Document, prepared pursuant to Article 5 of the RPT Regulation, and in accordance with Annex 4 of the same regulation, made available to the public, in the manner required by current regulations, on March 7, 2023 and to which reference is made. We have therefore supervised, with specific reference to this Transaction, the correct compliance with the provisions of the RPT Regulations and the RPT Policy regarding the approval of "Significant Transactions" by the Company, the Delegated Bodies, the Related Parties Committee and the Board of Directors, each to the extent of their remit.

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 23, 2023, approved, independently and ahead of approval of the financial statements for the year ended December 31, 2022, 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**", "**Infrastructure**", "**Licensing**" and "**Green Energy**" cash generating units (CGUs) for the annual reports of the Maire Tecnimont Group at December 31, 2022, and on the carrying value of equity investments recognised on the separate financial statements at December 31, 2022. In this regard, it should be noted that the impairment tests were carried out in line with the CGUs defined by management as of December 31, 2022 and in substantial continuity with the tests carried out in the previous year.

The Explanatory Notes to the Financial Statements at December 31, 2022, 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 2022

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, 2022; 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 included with the Group's Sustainability Report for 2022, taking also into account the "FaQ" published by the European Commission on the matter in December 2022;
- we verified compliance with the principles of correct administration;

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- we attended meetings of the Board of Directors, the Control, Risk and Sustainability Committee, the Remuneration Committee, the Related Parties Committee, and the Independent Directors;
- we 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 organisational structure, including the process of defining and assigning responsibilities, of note also for how the organisation 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 organisational structure of the company to be adequate to its needs and suitable to ensure respect for the principles of correct administration;
- we supervised the adequacy and the functioning of the internal control and risk management system through: *i)* attending the meetings of the Control, Risks and Sustainability Committee, *ii)* meetings with Group Management and Executives (among which: Group Risk Management, Special Initiatives and Regions Coordination; Group Corporate Affairs, Governance & Compliance; Group General Counsel; Sustainability Reporting; Group Sustainability and Corporate Advocacy, Group HSE&SA and Project Quality, Group Fiscal Affairs), obtaining the requested information, and *iii)* obtaining information from the Chief Executive Officer ("**CEO**"), who is responsible for establishing and maintaining the Internal Control and Risk Management System, PWC Representatives (both as Appointed Auditor and Designated Auditor), and 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 Group Chief Financial Officer and the Executive Officer for Financial Reporting of the company and with the independent audit firm PWC, also for the purposes of exchanging data and information. In this regard, during ad hoc meetings, we received from PWC specific information concerning their audits of the recognition of claims, change orders, and backcharges by the Company and on the accounting treatment relating to projects impacted by the Russian-Ukraine conflict. No information needing to be reported emerged from these meetings;
- we have supervised on the adequacy of the organizational, administrative and accounting structures and the Internal Control and Risk Management System, including with respect to the purposes of the Corporate Crisis and Insolvency Code set forth in Legislative Decree No. 14/2019, which came into force on July 15, 2022 following the enactment of Legislative Decree No. 83/2022, implementing EU Directive 2019/1023 ("**CCII**") and, in particular, on the adequacy of organizational structures also with respect to the timely detection of crisis under Article 3 of the CCII;
- 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. In particular:
  - 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 fulfil 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;

- 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 organisation 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, 2022, 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), 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.

The Internal Audit Department, the Risk Management, Special Initiatives and Regions Coordination Department, the Group Corporate Affairs, Governance & Compliance Department, the Group General Counsel, the Sustainability Reporting Department, the Group Sustainability and Corporate Advocacy Department, the Group HSE&SA and Project Quality Department, the Group Fiscal Affairs Department, and the Supervisory Board, which we met with periodically, did not report any particular critical issues within their respective areas of responsibility.

The annual Corporate Governance and Ownership Structure Report of the Board of Directors did not indicate any issues to be highlighted in this report.

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 authorisations;

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' Meeting.

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.

Opinions on the remuneration of the directors, general manager, senior executives, and Internal Audit manager and further opinions requested of the Board of Statutory Auditors

The Board of Statutory Auditors in 2022 expressed its opinion as required by Article 2389, paragraph 3, of the Civil Code concerning the proposals for the remuneration of senior executives, as well as further opinions in accordance with current regulations.

On February 25, 2022, the Board of Statutory Auditors, under its previous mandate, expressed favourable opinions regarding:

- the proposed final figures for the year 2021 for the compensation plans for the Chief Executive Officer and General Manager of the Company in office;
- 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. This latest proposal, made pursuant to Article *114-bis* of the CFA, was approved by the Maire Tecnimont Shareholders' Meeting held on April 8, 2022.

On May 11, 2022, the Board of Statutory Auditors also expressed, to the extent of its remit, its favourable opinion pursuant to Article 2389, Paragraph 3, of the Civil Code on the proposed fixed compensation of the Chief Executive Officer then in office (who resigned on April 21, 2022, effective May 15, 2022) for the period between April 8, 2022 and May 14, 2022.

On May 24, 2022, the Board expressed favourable opinions regarding:

- the proposed fixed annual gross remuneration to be paid, *pro rata temporis*, to the Chairperson of the Board of Directors, Mr. Fabrizio Di Amato, and to the Chief Executive Officer, Mr. Alessandro Bernini, in consideration of the "special offices" conferred on them;
- the proposed update of the gross annual fixed remuneration of the Group Corporate Affairs, Governance & Compliance and Institutional Relations Senior Executive, Mr. Fabrizio Di Amato;
- the proposed gross annual fixed remuneration of the General Manager, Mr. Alessandro Bernini;
- the proposed allocation to the Chairperson of the Board of Directors and the Chief Executive Officer and General Manager of the Company, as Directors with "special offices", the shares related to the Second Cycle (2021) of the "*2020-2022 General Share Plan for the Maire Tecnimont Group*" ("**2020-2022 SOP**").
- the proposal to activate the Third Cycle (2022) 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 Chief Executive Officer and General Manager of the Company; and
- the proposed remuneration due to Mr. Fabio Fritelli as Executive Officer for Financial Reporting of the Company, appointed on May 11, 2022, effective May 15, 2022.

On July 6, 2022, the Board of Statutory Auditors gave its favourable opinion, to the extent of its remit, on:

- the proposal to assign to the Chief Executive Officer and General Manager, Mr. Alessandro Bernini, the objectives for the year 2022 ("**MBO 2022**"), as part of the MBO Plan defined for the three-year period 2022-2024;
- the proposal to adopt the Regulation of the "2022-2024 *Long-Term Incentive Plan* ", approved by the Shareholders' Meeting of April 8, 2022, containing, among other matters, performance targets and the indication of the pay-out opportunity for the Chief Executive Officer and General Manager, Mr. Alessandro Bernini.

For the sake of full disclosure, the Board of Statutory Auditors also expressed favourable opinions on February 28, 2023, concerning:

- the proposed final figures for 2022 for the compensation plans for the Chief Executive Officer and General Manager of the Company;
- the proposal to adopt the "*Maire Tecnimont Group's Long-Term Incentive Plan 2023-2025*" for, among other matters, the Chief Executive Officer and General Manager. This proposal, made in accordance with Article 114-*bis* of the CFA, was submitted for approval to the Maire Tecnimont Shareholders' Meeting set for April 19 (first call) and April 20 (second call), 2023;
- the proposal to adopt the "*2023-2025 General Share Plan*" for Maire Tecnimont Group employees, intended for, among others, the Chairperson of the Board of Directors and the Chief Executive Officer and General Manager. This proposal, made in accordance with Article 114-*bis* of the CFA, was submitted for approval to the Maire Tecnimont Shareholders' Meeting set for April 19 (first call) and April 20 (second call), 2023.

During 2022, the Board of Statutory Auditors also expressed the following additional opinions, to the extent of its remit:

- at the meeting of the Board of Directors held on April 8, 2022, following the appointment of the Board of Directors of the Company for the three-year period 2022-2024 by the Shareholders' Meeting held on the same date, a favourable opinion on *(1)* the determination of the compensation of the members of the internal Board Committees, *(2)* the appointment of Mr. Alessandro Bernini as Executive Officer for Financial Reporting (who resigned from his position on May 21, 2022, effective May 15, 2022), and *(3)* to the extent necessary, to the confirmation of Ms. Erica Vasini as the Internal Audit Manager, as well as to the confirmation of the related gross annual fixed remuneration already defined by the Company's Board of Directors;
- at the Board of Directors' meeting held on April 21, 2022, the Board of Statutory Auditors, approved, pursuant to Article 2386, paragraph 1 of the Civil Code, the proposed appointment of Mr. Alessandro Bernini as a new Director of the Company, effective May 15, 2022 and until the next Shareholders' Meeting of the Company, to

replace Mr. Pierroberto Folgiero who resigned from the positions held in the Company on the same date, effective May 15, 2022;

- at the Board of Directors meeting held on May 11, 2022, the Board of Statutory Auditors, following the resignation of Mr. Alessandro Bernini from the position of Executive Officer for Financial Reporting of the Company effective May 15, 2022, expressed a favourable opinion regarding the appointment of Mr. Fabio Fritelli as Executive Officer for Financial Reporting of the Company, effective May 15, 2022.

Declarations of the Board of Statutory Auditors

During 2022, no declarations were issued by the Board of Statutory Auditors.

Oversight in accordance with Legislative Decree 39/2010 - verification of the independence of the Independent 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, PWC, the Board of Statutory Auditors was informed in a timely manner on the other services assigned.

In 2022, the independent audit firm carried out the following activities on behalf of the Group:

Type of service	Provider	Company	2022 Fees (in Euro thousands)
Audit	PricewaterhouseCoopers S.p.A.	Parent Company Maire Tecnimont S.p.A.	281
Audit	PricewaterhouseCoopers S.p.A.	Maire Tecnimont Group	1,827
Audit	PricewaterhouseCoopers S.p.A. Network	Maire Tecnimont Group	477
Certification services (*)	PricewaterhouseCoopers S.p.A.	Parent Company Maire Tecnimont S.p.A.	4
Certification services (*)	PricewaterhouseCoopers S.p.A.	Maire Tecnimont Group	56
Other services (**)	PricewaterhouseCoopers S.p.A.	Parent Company Maire Tecnimont S.p.A.	79
Other services (**)	PricewaterhouseCoopers S.p.A.	Maire Tecnimont Group	218
Other services (**)	PricewaterhouseCoopers network	Parent Company Maire Tecnimont S.p.A.	483

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 additional activities for support with development of the in-country value method, the assignment for the methodological support in technical assistance for National and European Financing Programmes and an analysis of the reporting of a number of ESG parameters required by the ESG Linked Schuldschein Loan of Maire Tecnimont.

Other services for the Group include audit work in connection with the tax credit for the research and development expenses for some Italian subsidiaries and an activity to assess the reporting of costs of a funded project.

The Board of Statutory Auditors reports to have previously evaluated and authorized the fees in the table and that the other services assigned do not affect its independence.

It should also be noted that, since PWC, 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 2022 the so-called "70% limit", to be calculated on the average fees paid in the financial years 2019, 2020 and 2021 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.

PWC on March 28, 2023, 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, 2022 and they provide a true and fair view of the financial statements of the company and of the Group at December 31, 2022, 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 2022 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 report (limited assurance engagement) on the Consolidated Non-Financial Disclosure Statement included in the *"2022 Sustainability Report";* 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 2022 Sustainability Report, concerning the year ended December 31, 2022, 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, 2022, report revenues of Euro 3,463,723,000, EBITDA of Euro 209,317,000 and net income of Euro 90,353,000;
- the Maire Tecnimont Group Adjusted Net Financial Position at December 31, 2022, was a cash position of Euro 93,790,000;
- The parent company Maire Tecnimont reports net income of Euro 38,940,115.

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 carried out, with the support of the Group Corporate Affairs and Governance & Compliance of the Company, the Self-Assessment for 2022, the result of which is outlined in the "*Corporate Governance and*

Ownership Structure Report 2022" 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 2022:

- 19 meetings of the Board of Statutory Auditors were held (including 10 following the appointment by the Company's Shareholders' Meeting of the current Board of Statutory Auditors), with an average duration of approx. 1 hour each;
- - the Board of Statutory Auditors held meetings and exchanged information with the representatives of PWC, both as Appointed Auditor and Designated Auditor;
- 16 meetings of the Board of Directors were held, of an average duration of 2 hours and 3 minutes. 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 2 hours and 16 minutes), the Remuneration Committee met 6 times (with an average duration of 1 hour and 4 minutes), and the Related Parties Committee met 9 times (with an average duration of 1 hour and 13 minutes).

The Board of Statutory Auditors attended all meetings of the Board of Directors and of the Internal Committees.

Finally, the Board of Statutory Auditors, in its previous composition, attended the Shareholders' Meeting held on April 8, 2022, overseeing its proper conduct in compliance with Article 106 of the "Cura Italia Decree."

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The Board of Statutory Auditors points out that, during 2022, it continued to monitor the development of the relevant regulatory framework, measures and recommendations issued by the competent Authorities *i)* to deal with the epidemiological emergency brought about by the COVID-19 outbreak ("Corona Virus") (whose state of emergency in Italy ended on March 31, 2022), as well as *ii)* as a result of the Russian-Ukrainian conflict which as of the date of approval of this report is still ongoing, to the extent of interest with regards to the Board’s supervisory obligations regarding Maire Tecnimont. No issues have emerged in this regard that require reporting to the Company’s Shareholders.

In particular, the Board notes that the Company, with reference to the evolving geo-political environment related to the Russian-Ukrainian conflict, promptly set up a task force and a number of interdisciplinary and inter-functional working groups to share information and updates on the actions put in place and to coordinate initiatives to manage and mitigate the impacts on the operational activities of the Projects underway at that point in the Russian Federation. Constant monitoring of the country situation has also been ensured by the relevant Corporate Functions, from the point of view of both the personnel involved in on-site Projects and logistics, as well as the possible effects of the restrictions in place, the evolution of the sanctions framework and the gradual tightening of the geo-political situation. Periodic meetings have also been organized among those involved in the Company's Internal Control and Risk Management System, in order to enable them - to the extent of their competence - to identify, assess, measure and monitor the risks arising from this situation, while defining, at the same time, the necessary tools and actions for their management. These meetings also included those with the Supervisory Boards of the Company and Parent Companies to enable them to carry out their own verification activities. Subsequently, the relevant Functions of the Company provided, on a periodic basis, updated information to these individuals regarding, among other matters, instruments and actions defined and/or updated from time to time in light of the evolution of the aforementioned situation.

With reference, however, to the COVID-19 epidemiological emergency, which began in 2020, the monitoring of its evolution continues, where necessary and/or as relevant to the Group in terms of possible impacts.

Significant events subsequent to year-end are presented in the Directors' Report.

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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 2022 reporting that timely responses to the requests received were provided according to the established and/or agreed terms.

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The Chief Executive Officer and the Executive Officer for Financial Reporting issued on March 1, 2023, the declarations as per Article 154-*bis* of the CFA, declaring the adequacy and effective application of the accounting and administrative procedures for the drawing up of the financial statements and that the separate and consolidated financial statements for the year ended December 31, 2022, were prepared in compliance with the international accounting standards applicable and recognised 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.

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 favourable opinion as to the approval of the annual financial report at December 31, 2022, 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 40,737,860.74 on 328,531,135 ordinary shares outstanding, without par value, with dividend rights, for a dividend of Euro 0.124 per share before withholdings required by law.

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Milan, March 28, 2023

Signed by

Mr. Francesco Fallacara (Chairperson)

Ms. Marilena Cederna

Ms. Andrea Bonelli

This report has been translated into English from Italian original solely for the convenience of international readers.

53. Auditors' Report on the Condensed Consolidated

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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

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

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 2022, 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 2022, 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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 2022" (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", note 28.32 to the consolidated financial statements "Contractual liabilities" and note 2 of the Director's report "Key Events in the year"*	
Revenues of Maire Tecnimont Group are generated from engineering and construction services in the following fields: - Hydrocarbons; - Green Energy. Revenues generated during 2022 totalled Euro 3.464 million and refer for 91,2 per cent to the Hydrocarbons business and for the remainder to the Green Energy business. The caption "Contract Assets", amounting to Euro 2.261 million, is 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 and invoicing on account relating to the advancement of works. The projects based in the Russian Federation represent approx. the 14.8% of the captions "Contractual assets" and the "Trade receivables", these items are offset by payables exposure, which mainly relates to the subcontractors and vendors involved in these projects. 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; - contracts suspended or terminated due to the Russia – Ukraine crisis; - 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 the measurement process difficult, such as the technical complexity of projects, the scope and	- 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 and/or for the recoverability of assets related to projects under termination. 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; - verify the enforceable rights to

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
duration of construction work, the existence of additional payments, changes to contracts and price revisions.	pretend additional payments on the basis of contracts prescriptions; - performing site visit of the construction site development for a sample of projects. We verified the completeness and accuracy of disclosures in the notes to the consolidated financial statements.
Assessment of the recoverability of the carrying amount of goodwill *Note 26 to the consolidated financial statements "Explanatory notes as of 31 December 2022" (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 2022 include goodwill for Euro 295.5 million (5.5 per cent of Total Assets), allocated to four cash generating units ("CGUs"): Hydrocarbons; 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, Protomation BV and the acquisition in 2022 of Tecni and Metal Private Limited, an Indian company. CGUs were identified with uniform criteria compared to the previous year, also in line with that undertaken for the representation of operating segments. However, during the year, following the merger of Neosia Renewables SpA and the broader rationalization of the Group's business, a portion of the "Renewables & Infrastructure" CGU was merged with the "Hydrocarbons" CGU following the assignment to Tecnimont SpA of all the elements, assets and resources pertaining to the "Renewables Energy Division", in order to execute these activities as	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 2023-2032 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 (2022-2026). 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 2023-2032, and the reasonableness of the

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
part of the EPC projects of the Hydrocarbons division. The recoverability of goodwill is verified at least once a year even if impairment indicators are not present based on IAS 36 "Impairment of Assets". 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 analysis of the recoverability of the goodwill and the other tangible and intangible fixed assets was undertaken in conjunction with an independent expert, utilizing the cash flows based on the 2023 Budget and the 2023-2032 Business Plan approved by the Board of Directors on 1 March 2023. The explicit plan period was assumed to be 10 years in view of the expected growth prospects of the market in which the Group operates, particularly in relation to energy transition activities. For the calculation of the recoverable value, the income streams refer to the business planning period, as well as a Terminal Value; specifically, for the "Licensing" and "Green Energy" CGUs, which are most engaged in the activities related to the energy transition, the explicit period of 10 years was considered, while for the other CGUs the explicit period of 5 years was considered. 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 of the explicit 5-year plan for the "Hydrocarbons" and "Infrastructure" CGU's and of the last 5 years for the 10-year plan of the "Licensing" and "Green Energy" CGUs were considered. For the "Hydrocarbons" CGU, also considering the increasing difficulties to carry out activities on	methodology used for the determination of 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 both for the previous and for the actual perimeter for the "Hydrocarbons" and "Infrastructure" CGU's. 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.

Key Audit Matters	***Auditing procedures performed in response to key audit matters***
projects in progress in the Russian Federation, the residual value of the relative projects has been removed from the Backlog. 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. A test was carried out according to the previous and current scope of the Infrastructure sector, without indicating any impairments. Where not including a portion of the "Renewables & Infrastructure" CGU in the "Hydrocarbons" CGU, this method would not indicate any impairment. The Group also performed a sensitivity analysis based on changes to the discount rate, growth rate and EBITDA for each explicit years of the plan and on the Terminal Value. 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.	

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 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.

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, actions taken to eliminate the related risks, or safeguards applied.

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

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specification of a single electronic reporting format (*ESEF - European Single Electronic Format*) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements as of 31 December 2022, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) N° 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements as of 31 December 2022 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Due to certain technical limitations, some information included in the illustrative notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

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 2022, 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 2022 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 2022 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, 28 March 2023

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. Auditors' Report on the Separate Financial Statements

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 2022

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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 2022, 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 2022, 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.

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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 to the financial statements of "Explanatory notes as of 31 December 2022 - Accounting policies" (paragraphs "Investments" and "Use of estimates") and note 42.4 to the financial statements "Investments in subsidiaries".*	
The financial statements of Maire Tecnimont SpA as of 31 December 2022 include nine investments in subsidiaries for a total carrying amount of Euro 777 million (Tecnimont SpA, MST SpA, Neosia Renewables SpA, Met Development SpA, KT SpA, MET Gas Processing Technologies SpA, Stamicarbon BV, Nextchem SpA and Nextchem Holding Srl) corresponding to 55 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 SpA, MET Gas Processing Technologies SpA, Neosia Renewables SpA and Nextchem SpA, as the book value of the investments was higher than the pro-quota net equity at December 31, 2022, as was the case also in the previous year. Impairment testing was conducted with regard to the investment in MST SpA 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.	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 2023-2032 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 2022 with the forecast for the same year included in the previous business plan (2022-2026). 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 2023-2032 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
The value configuration used by the Company to determine the recoverable amount of the investments indicated above is value in use, which 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, using cash flows based on the projections set out in the 2023 budget and in the business plan for the period 2023-2032 approved by the Board of Directors on 1 March 2023. For the calculation of the recoverable value, the income streams refer to the business planning period, as well as a Terminal Value; specifically, for the investment in Nextchem SpA, engaged in the activities related to the energy transition, the explicit period of 10 years was considered, while for the other investments the explicit period of 5 years was considered. 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 of the explicit 5-year plan for all the investments with the exception of the investment in Nextchem SpA which utilized the last 5 years of the 10-year plan. 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, for each explicit years of the plan and on the Terminal Value. The sensitivity analysis did not indicate impacts for the equity investments, with the exception of the subsidiary Met Gas Processing SpA and Neosia Renewables SpA which in the worst case scenario indicate respectively a reduction in 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 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.

Key Audit Matters	Auditing procedures performed in response to key audit matters
of approx. Euro 0.3 million and a reduction in value of approx. Euro 1.6 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.	

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 No. 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.

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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 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, actions taken to eliminate the related risks, or safeguards applied.

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.

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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 as of 31 December 2022, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) N° 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 as of 31 December 2022 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 2022, 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 2022 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 2022 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, 28 March 2023

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.