

MAIRE TECNIMONT ANNOUNCES ITS 9M 2020 CONSOLIDATED FINANCIAL RESULTS

- **Revenues (€1,870.0 million) and EBITDA (€112.5 million), up in the last quarter; stable margins (6%) vs. previous two quarters**
- **Adjusted Net Financial Position in continuous improvement in the last two quarters**
- **Backlog: €6.0 billion, of which about 80% in gas monetization and Energy Transition; new orders for €1.8 billion, of which about 85% in gas monetization and energy transition**
- **Commercial Pipeline at €52.6 billion**
- **Acceleration of the strategic development in Energy Transition: new agreements for technology partnerships as well as for projects in Italy and abroad; set up a new company, MyRechemical, confirming the Group's commitment to waste to chemical**

Milan, 11 November 2020 – Maire Tecnimont S.p.A.'s Board of Directors today has reviewed and approved the Interim Financial Report as at 30 September 2020, which reports a Net Income of €31.6 million. The Nine-Month results are impacted by the effects of the Covid-19 pandemic in the main geographical areas where the Group operates. The comparison with the 9M 2019 results reported in the table below, therefore, is hardly indicative.

CONSOLIDATED HIGHLIGHTS

(in Euro millions)	9M 2020	9M 2019	Change %
Revenues	1,870.0	2,420.3	-22.7%
Contract Gross Profit ⁽¹⁾	219.5	279.9	-21.6%
<i>Contract Gross Margin</i>	<i>11.7%</i>	<i>11.6%</i>	<i>+100bps</i>
EBITDA	112.5	168.7	-33.3%
<i>EBITDA Margin</i>	<i>6.0%</i>	<i>7.0%</i>	<i>-100bps</i>
Pre-Tax Income	46.0	119.8	-61.6%
<i>Tax Rate</i>	<i>31.3%</i>	<i>31.2%</i>	
Net Income ⁽²⁾	31.6	82.5	-61.7%

- (1) "Gross Contract Profit" is the industrial margin before the allocation of commercial, general and administrative costs and research and development expenses.
- (2) If the temporary impact of the valuation of outstanding derivatives contracts were excluded from the net income, the net income for 9M 2020 would have been €39.4 million and €81.7 million for 9M 2019, with a delta of 51.8%.

(in Euro millions)	30.09.2020	31.12.2019	Change
Adjusted (Net Debt)/Net Cash*	(227.8)	78.9	(306.7)

* Net of €9.9 million at 30/9/20 (€59.4 million at 31/12/19) of Non-Recourse Debt related to the MyReplast acquisition (and the one related to the Alba-Bra hospital at 31/12/2019, deconsolidated at the end of June), and €15.9 million to be recovered in India at 30/9/20 (€16.6 million at 31/12/19), excluding trade receivables equivalent to financial credits for €223.6 million at 30/9/20 (€38.3 million at 31/12/19), and excluding the IFRS 16 impacts for €144.9 million at 30/9/20 (€150.1 million at 31/12/19).

ORDER INTAKE AND BACKLOG

(in Euro millions)	9M 2020	9M 2019	Change
Order Intake	1,806.0	1,589.6	216.4

(in Euro millions)	30.09.2020	31.12.2019	Change
Backlog	6,003.7	6,143.4*	(139.7)

* Not including Alba/Bra Hospital, deconsolidated in June 2020

FINANCIAL HIGHLIGHTS BY BUSINESS UNIT

(in Euro millions)	9M 2020	% on Revenues	9M 2019	% on Revenues
Hydrocarbons				
Revenues	1,823.5		2,326.5	
Contract Gross Profit	217.5	11.9%	270.5	11.6%
EBITDA	113.6	6.2%	166.3	7.1%
Green Energy				
Revenues	46.5		93.8	
Contract Gross Profit	2.0	4.4%	9.4	10.1%
EBITDA	(1.0)	n.m.	2.4	2.6%

ORDER INTAKE BY BUSINESS UNIT

(in Euro millions)	9M 2020	9M 2019	Change
Hydrocarbons	1,795.7	1,473.4	322.3
Green Energy	10.3	116.2	(105.9)

BACKLOG BY BUSINESS UNIT

(in Euro millions)	30.09.2020	31.12.2019	Change
Hydrocarbons*	5,811.9	5,999.2	(187.3)
Green Energy	191.8	144.2**	47.6

*of which around €4,400 million refers to projects of gas monetization and Energy Transition as of 30.09.2020

** Not including Alba/Bra Hospital, deconsolidated in June 2020

The changes reported refer to 9M 2020 versus 9M 2019, unless otherwise stated.

Consolidated Financial Results as at 30 September 2020

Results for the 9M period, as already noted, are impacted by the Covid-19 pandemic, which affected the main geographical areas where the group operates. The comparison with year-ago results, reported below, is therefore hardly indicative.

Maire Tecnimont Group **Revenues** were **€1,870.0 million**, down 22.7%. Volumes are impacted by the slowdown in certain geographies, especially since the second half of March, following the decisions taken by Governments in order to contain the Covid-19 pandemic. The Third Quarter of 2020, notwithstanding a scenario still characterized by strong elements of uncertainty due to the persistent effect of the pandemic, particularly in certain geographical areas, saw the resumption of operations on the main projects in the backlog, resulting in an increase in production volumes compared to the Second Quarter.

Furthermore, as already stated in the previous quarters, volumes are impacted by the non-linear progress of projects in the backlog, and their performance over time, depending upon the scheduling of the individual activities. Volumes also reflect both the final stage of some EPC projects awarded over the past years, not yet compensated by new acquisitions, and the type of contracts that were recently acquired, mainly Engineering, Procurement, Construction Management and Commissioning services, that, due to their nature, generate lower volumes.

Contract Gross Profit was **€219.5 million** and resulted in a Gross Contract Margin of **11.7%**, slightly up from 11.6%.

G&A costs were **€53.0 million**, down 6.9%, as result of the implementation of the cost saving initiatives launched in response to the current situation, whose benefits will continue to mature also in the next months. Savings achieved in the first nine months this year have more than compensated the increased costs due to the strengthening of the NextChem's organization as well as in certain geographies.

EBITDA was **€112.5 million** with a margin of **6%**, due to lower volumes, in line with previous quarter, but lower than 9M 2019 due to lower production volumes and a subsequent higher impact of fixed costs, despite the positive contribution from previously mentioned cost cutting measures.

Amortization, Depreciation, Write-downs and Provisions were **€33.4 million**, down 4.5%.

EBIT was **€79.2 million**, down 40.8%.

Net Financial Charges were **€33.1 million**, compared to €13.9 million. The result of the first nine months of 2020 is mainly due to a temporary negative net valuation of certain derivative contracts for €11.3 million vs. a positive value of €1.1 million, leading to a negative change of €12.4 million. This valuation was mainly negatively impacted both by an unfavorable exchange rate performance of the Russian Ruble and the US Dollar versus the Euro, also caused by the pandemic's impact on the FX markets, and by the price trend of some raw materials, which are linked to derivative edging.

Also impacting the 9M 2020 Results are financial charges related to the €365 million loan agreement which is 80% backed by SACE's "Garanzia Italia" (Italy Guarantee) and lower financial income due to lower cash and cash equivalents invested in the period.

Pre-tax Income was **€46.0 million**, down 61.6%. The tax provision was €14.4 million.

The effective **tax rate** was approximately 31.3%, substantially unchanged over the last quarters, considering the various jurisdictions where Group operations have been carried out.

Net Income was **€31.6 million**, down 61.7%, mainly due to lower volumes and a temporary negative net valuation of certain derivative contracts, as stated above.

Net Debt (net of the above-mentioned values in the footnote on page 2) at September 30, 2020 was **€227.8 million**, down compared to a Net Cash of €78.9 million at 31 December 2019, but up by **€32.8 million** in the Third Quarter.

The decrease in the First Quarter, already noted in the previous press releases, was followed by a constant improvement starting from the second quarter 2020, thanks to the advance payments of recently acquired projects, as well as the cash generation from projects in our portfolio, partially compensated by the mark-to-market valuation of the

derivative contracts supporting our projects, as well as by the Capex in the period.

In order to increase the Group's financial flexibility, strengthen our financial structure in order to face potential negative consequences of the pandemic, and support our projects, a €365 million loan agreement was signed last July. The loan is 80% backed by the SACE's Italia Guarantee.

Consolidated Shareholders' Equity was **€427.1 million**, down €21.9 million vs. December 31, 2019, despite the positive Net Result for the period of €31.6 million. This decrease was mainly driven by a negative change of the derivatives' Cash Flow Hedge reserve related to the negative mark to market of the derivatives hedging the projects' flows, net of a €27.7 million tax effect, and by a €30.2 million negative amount related to the translation of the financial statements reported in a foreign currency.

Performance by Business Unit

Hydrocarbons BU

Revenues were **€1,823.5 million**, down 21.6%, due to the same reasons commented above.

Gross Contract Profit was **€217.5 million**, with a **margin** of **11.9%**, increasing from 11.6%. **EBITDA** was **€113.6 million**, with a margin of 6.2%.

Green Energy BU

Revenues were **€46.5 million**, down 50.4%, due to the completion of projects in the renewable energy sector, not yet replaced by new acquisitions, and also due to the final phase of a project in the hospital sector, which was disposed of during Q2 2020. At the same time, our subsidiary NextChem recorded a slight increase in its activities and during the quarter has further strengthened its technological portfolio thanks to partnership agreements signed with various Italian and international counterparts, mainly due to lower volumes and higher commercial costs.

EBITDA was negative **€1.0 million** after taking into account the G&A costs.

Development of the Green Energy BU

Maire Tecnimont is accelerating its commitment to support the Energy Transition, thanks to agreements for new technological partnerships and for the development of projects in Italy and abroad.

In the circular economy field, while engineering activities for ENI's Waste to Chemical projects continue, NextChem has signed an agreement with Lanzatech (USA) to promote the production of circular ethanol and to exclusively license this technology in Italy and in certain foreign markets. Moreover, NextChem launched the MyReplast™ brand to promote its

proprietary technology for upcycling and its premium portfolio of recycled polymer products.

The company's biofuel business is growing thanks to agreements with GranBio (Brazil), to market worldwide the GranBio 2G Ethanol technology for the production of cellulose-based ethanol, and with Saola Energy (USA) to license internationally a technology for the production of renewable diesel.

Order Intake and Backlog

Thanks to **€1,806.0 million** of new orders generated in 9M 2020, of which around 85% represented by projects for gas monetization and the Energy Transition. The Group's **Backlog** at September 30, 2020 was **€6,003.7 million**, of which around 80% represented by projects for gas monetization and the Energy Transition.

In particular, the main projects awarded to the Group include the following:

- an EPC contract from Gemlik Gubre, part of Yildirim Holding, for the implementation of a new Urea and Urea Ammonium Nitrate solution plant in Gemlik, Turkey, for approximately €200 million;
- new contracts for a total amount of approximately €220 million in the core business, mainly in Europe, including an EPCC contract signed with Total for the construction of a new Hydrotreatment unit to be realized in the Donges' refinery in France;
- new awards by top-notch clients including Borealis and Lukoil for feasibility, FEED and detailed engineering services, for about USD10 million;
- an Engineering Procurement and Site Services contract with Amur GCC LLC, for the petrochemical development of the Amur Gas Chemical Complex (AGCC) in the Amur region in Russia, for about €1.2 billion (in consortium);
- an EPC contract in Algeria with Groupement Bir Seba for the expansion of an existing oil central processing facility in the Touggourt gas area northeast of Hassi Messaoud, for about USD400 million.

Subsequent Events

- On 29 October 2020, NextChem S.p.A. and Hera Group signed a strategic agreement according to which NextChem will provide technology and engineering, procurement and construction services to build a plant which will use our proprietary innovative technology MyReplast™ for upcycling of plastic waste into high value-added polymers.

- On 3 November 2020, NextChem S.p.A. signed a Memorandum of Understanding for the development of industrial projects using its own technologies to foster the industrialization of the circular economy in India. The projects will be focused on plastics recycling, the production of biofuels from renewable feedstock, and circular fuels and chemicals from non-recyclable waste.
- On 9 November 2020, NextChem announced the set-up of its subsidiary MyRechemical, a company dedicated to the Waste to Chemical business

Outlook

Despite the uncertainty over the impacts of Covid-19 pandemic underway and the consequences for the price of natural resources and its derivative products, the market has seen on-going investments in the downstream segment, with a particular focus on the infrastructure for the transformation of oil and gas into petrochemical products, and the revamping of existing refining units in order to adapt the type and quality of the end products to the changed market demands, strongly influenced by recent environmental regulations and those expected to be taken in the near future. Confirmation of this forecast is supported by a strong commercial pipeline.

The cost saving initiatives aimed at counteracting the potential economic effects related to the pandemic continue. In addition to boosting the Group's competitiveness, the already achieved savings as of September 30, and those that are expected by the end of this year, together with the settlement of negotiations under way with clients, are expected to contribute to a progressive normalization of the net working capital with a related improvement in the financial position.

As of 30 September 2020, the Group continues to maintain a high backlog, and, thanks also to the contracts already signed with international Clients this year, business performance continuity is taking place. After certain geographical areas have been significantly impacted by the on-going Covid-19 pandemic in the second quarter, a subsequent gradual return to normal operating conditions has had a slowdown over the last few weeks, due to the re-introduction of measures in order to contain the pandemic in several countries.

Considering the geographies where our operating activities are taking place, and in spite of measures already implemented by the local authorities in some of these areas, thanks to the technological infrastructures put in place by the Group for some time now, which have demonstrated a proven ability to allow efficient operations during a period

of crisis, production volumes in Q4 are expected to significantly increase compared to the Third Quarter, with a FY 2020 absolute profit in line with the expectation.

Webcast Conference Call

The 9M 2020 Financial Results will be presented today at 5:30pm CET during an audio-webcast conference call held by the top management.

The conference call may be followed as a webcast by connecting to the website (www.mairetecnimont.com) and clicking on the "9M 2020 Financial Results" banner on the Home Page or through the following url:

<https://87399.choruscall.eu/links/mairetecnimont201111.html>

Alternatively, you may participate in the conference call by calling one of the following numbers:

Italy: +39 02 805-8811

UK: +44 121 281-8003

USA: +1 718 705-8794

The presentation given by the top management will be available at the start of the conference call in the "Investors/Results and Presentations/Financial Results" section of Maire Tecnimont's website (<https://www.mairetecnimont.com/en/investors/results-and-presentations/financial-results>). The presentation shall also be made available on the 1info storage mechanism (www.1info.it).

Dario Michelangeli, as Executive for Financial Reporting, declares - in accordance with paragraph 2, Article 154-bis of Legislative Decree No. 58/1998 ("Consolidated Finance Act") - that the accounting information included in this press release corresponds to the underlying accounting records.

The Interim Report as at 30 September 2020 will be available to the public at the registered office in Rome, at the operative office in Milan, on the Company's website www.mairetecnimont.com (in the "Investors/Results and Presentations/Financial Results" section, and on the authorized storage device "1info" (www.1info.it), according to the timing allowed by law.

This press release, and the "Outlook" section in particular, contains forecasts. The declarations are based on current estimates and projections of the Group concerning future events and, by their nature, are subject to risk and uncertainty. Actual results may differ significantly than the estimates made in such declarations due to a wide range of factors, including the continued volatility and further decline of the capital and finance markets, raw

material price changes, altered economic conditions and growth trends and other changes in business conditions, in addition to other factors, the majority of which outside the control of the Group.

Maire Tecnimont S.p.A.

Maire Tecnimont S.p.A., a company listed on the Milan Stock Exchange, is at the head of an international industrial group leader in the transformation of natural resources (plant engineering in downstream oil & gas, with technological and execution competences). Through its subsidiary NextChem it operates in the field of green chemistry and the technologies to support the energy transition. Maire Tecnimont Group operates in about 45 countries, numbering around 50 operative companies and approximately 9,100 persons. For more information: www.mairetecnimont.com.

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The Consolidated as well as Maire Tecnimont S.p.A.'s Income Statement, Balance Sheet and Cash Flow Statement are presented below.

CONSOLIDATED INCOME STATEMENT

<i>(Euro thousands)</i>	30 September 2020	30 September 2019	Δ %
Revenues	1.831.474	2.386.794	
Other operating revenues	38.550	33.503	
Total revenues	1.870.024	2.420.297	-22,7%
Raw materials and consumables	(539.548)	(621.355)	
Service costs	(884.089)	(1.208.908)	
Personnel expense	(299.659)	(342.923)	
Other operating expenses	(34.186)	(78.366)	
Total Costs	(1.757.482)	(2.251.552)	-21,9%
EBITDA	112.542	168.745	-33,3%
Amortization, depreciation and write-downs	(31.670)	(33.255)	
Write-down of current assets	(1.716)	(1.796)	
Provision for risks and charges	0	(0)	
EBIT	79.156	133.694	-40,8%
Financial income	5.753	13.174	
Financial expenses	(39.876)	(28.232)	
Investment income/(expense)	977	1.190	
Income before tax	46.010	119.826	-61,6%
Income taxes, current and deferred	(14.408)	(37.349)	
Net income	31.602	82.477	-61,7%
Group	35.014	80.542	-56,5%
Minorities	(3.412)	1.934	
Basic earnings per share	0,107	0,245	
Diluted earnings per share	0,107	0,245	

CONSOLIDATED BALANCE SHEET 1/2

<i>(Euro thousands)</i>	30 September 2020	31 December 2019
Assets		
Non-current assets		
Property, plant and Equipment	41.383	42.573
Goodwill	294.345	296.132
Other intangible assets	82.392	72.734
Right-of-use - Leasing	142.804	148.600
Investments in associates	16.620	15.777
Financial Instruments - Derivatives	788	5.500
Other non-current financial assets	50.881	48.148
Other Non-current Assets	177.553	143.389
Deferred tax assets	36.560	32.420
Total non-current assets	843.326	805.273
Current assets		
Inventories	3.955	2.738
Advance payments to suppliers	450.548	439.358
Contract Assets	1.861.120	1.892.365
Trade receivables	760.645	555.286
Current tax assets	82.778	118.577
Financial Instruments - Derivatives	3.016	23.705
Other current financial assets	8.660	6.457
Other current assets	218.328	185.262
Cash and cash equivalents	565.031	727.394
Total current assets	3.954.081	3.951.141
Non-current assets classified as held for sale	0	97.314
Elimination of assets to and from assets/liabilities held for sale	0	(17.988)
Total Assets	4.797.408	4.835.741

CONSOLIDATED BALANCE SHEET 2/2

<i>(Euro thousands)</i>	30 September 2020	31 December 2019
Shareholders' Equity		
Share capital	19.921	19.921
Share premium reserve	272.921	272.921
Other reserves	-18.249	7.460
Valuation reserve	(24.478)	3.232
Total Shareholders' Equity and reserves	250.114	303.534
Retained earnings/(accumulated losses)	105.681	(7.968)
Net income	35.014	112.981
Total Group Shareholders' Equity	390.809	408.547
Minorities	36.270	40.389
Total Shareholders' Equity	427.079	448.936
Non-current liabilities		
Financial debt - non-current portion	581.802	244.274
Provisions for risks and charges - beyond 12 months	17.009	23.256
Deferred tax liabilities	16.871	27.941
Post-employment and other employee benefits	10.690	10.926
Other non-current liabilities	76.477	82.194
Financial Instruments - Derivatives	8.902	1
Other non-current financial liabilities	198.510	198.094
Non-current financial Leasing liabilities	122.520	127.876
Total non-current Liabilities	1.032.781	714.562
Current liabilities		
Short-term debt	277.206	342.468
Short-term financial Leasing liabilities	22.361	22.208
Provisions for risk and charges - within 12 months	6.092	23.179
Tax payables	29.671	60.735
Financial Instruments - Derivatives	33.662	7.909
Other current financial liabilities	330	330
Client advance payments	723.454	684.272
Contract Liabilities	480.197	305.013
Trade payables	1.562.488	1.960.592
Other Current Liabilities	202.087	202.749
Total current liabilities	3.337.548	3.609.456
Liabilities directly associated with non-current assets classified as held for sale	0	80.775
Elimination of liabilities to and from assets/liabilities held for sale	0	(17.988)
Total Shareholders' Equity and Liabilities	4.797.408	4.835.741

CONSOLIDATED CASH FLOW STATEMENT

<i>(Euro thousand)</i>	30 September 2020	30 September 2019
Cash and cash equivalents at the beginning of the year (A)	727.394	650.008
Operations		
Net Income of Group and Minorities	31.602	82.477
Adjustments:		
- Amortisation of intangible assets	8.273	11.592
- Depreciation of non-current tangible assets	3.853	3.400
- Depreciation of Right-of-use - Leasing	18.147	18.264
- Provisions	1.716	1.796
- (Revaluations)/Write-downs on investments	(977)	(1.190)
- Financial Charges	39.876	28.232
- Financial (Income)	(5.753)	(13.174)
- Income and deferred tax	14.408	37.349
- Capital (Gains)/Losses	77	46
- (Increase)/Decrease inventories/supplier advances	(12.407)	(195.604)
- (Increase)/Decrease in trade receivables	(207.075)	(49.244)
- (Increase)/Decrease in contract assets receivables	14.753	(375.492)
- Increase/(Decrease) in other liabilities	(6.376)	18.385
- (Increase)/Decrease in other assets	(60.244)	(71.347)
- Increase/(Decrease) in trade payables/advances from clients	(346.228)	363.795
- Increase/(Decrease) in payables for contract liabilities	175.185	12.532
- Increase/(Decrease) in provisions (including post-employment benefits)	(19.074)	(19.128)
- Income taxes paid	(28.835)	(32.666)
Cash flow from operations (B)	(379.079)	(179.977)
Investments		
(Investment)/Disposal of non-current tangible assets	(954)	(3.959)
(Investment)/Disposal of intangible assets	(15.471)	(7.236)
(Investment)/Disposal in associated companies	1	2.222
(Increase)/Decrease in other investments	506	(546)
(Investments)/Disposal of companies net of cash and cash equivalents acquired	9.511	(14.296)
Cash flow from investments (C)	(6.406)	(23.814)
Financing		
Repayments of principal of financial Leasing liabilities	(17.554)	(17.089)
Payments of financial charges on financial Leasing liabilities	(4.587)	(4.554)
Increase/(Decrease) in short-term debt	(111.029)	57.831
Repayments of long-term debt	(17.900)	(7.073)
Proceeds from long-term debt	374.828	40.960
Increase/(Decrease) bonds	(279)	(211)
Change in other financial assets and liabilities	(355)	(3.854)
Cash flow from financing (D)	223.123	23.740
Increase/(Decrease) in Cash and Cash Equivalents (B+C+D)	(162.363)	(180.053)
Cash and cash equivalents at year end (A+B+C+D)	565.031	469.955
of which: Cash and cash equivalents of Discontinued Operations	-	2.127
CASH AND CASH EQUIVALENTS REPORTED IN THE FINANCIAL STATEMENTS	565.031	467.828