

# Half-Year Report at June 30, 2023



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## Directors' Report



## 1. Key events in the period

The Group's key operating events in H1 2023 were as follows:

### **NEW ORDERS AND COMMERCIAL AGREEMENTS**

The flexible organizational model, accompanied by an advanced technological model, combined with the proactive cooperation of partners and clients, made it possible to acquire new contracts worth approx. Euro 2,362.1 million for licensing, engineering services, EP (Engineering and Procurement) and EPC (Engineering, Procurement and Construction) activities, maintaining the Group's Backlog at high levels (approx. Euro 9,044.7 million).

Awarded by some of the most prestigious international clients, these contracts and other commercial agreements are outlined in the section "Backlog by Business Unit and Region".

### **CORPORATE EVENTS**

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

On January 23, 2023, Maire Tecnimont S.p.A. announced its expansion, through the subsidiary NextChem Holding, into the markets for biodegradable plastics intermediates and high value-added derivative product 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 occurred on April 12, 2023.

The transaction is worth approx. Euro 35.8 million, of which Euro 28.4 million settled on closing and Euro 7.4 million deferred and subject to a number of conditions. The acquisition contract also stipulates an earn-out clause on the basis of the achievement of set operating results for FY 2023 and 2024 and a put and call options structure on the remaining 16.5%, to be exercised within the coming three years.

Founded over 50 years ago, Conser boasts an extremely diverse portfolio of technology patents relating to the energy transition and processes for high value-added fine chemical products, including flexible and cost-effective technologies for maleic anhydride, butanediol and dimethyl succinate, key building blocks for the production of biodegradable plastics. Featuring excellent biodegradation properties, these plastics present very promising market prospects due to growing demand and particularly in Asia. Conser's portfolio also includes technologies for fine chemistry for lithium battery production and bio-based derivatives (plant glycerin).

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.

With this transaction, MAIRE strengthens its energy transition and circular economy leadership, adding innovative and sustainable technologies for biodegradable plastics intermediates and high value-added specialty chemicals to its portfolio. These technologies can be developed in new markets thanks to MAIRE's global sales network and integrated project execution capability.



Further growth opportunities may come from the development of a fully biodegradable or bio-based polymer, in line with the Group's decarbonization strategy.

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. The expected contribution from Conser to EBITDA in 2023 is over Euro 11 million, consolidating a net cash position of over Euro 10 million.

In the transaction Conser was assisted by FAI ADVISORY and the Foschiani law firm in Rome, while for MAIRE the transaction was handled by the Group's legal, corporate and M&A team.

### **NEXTCHEM (MAIRE GROUP) ACQUIRES CATC, AN INNOVATIVE PLASTIC CHEMICAL RECYCLING TECHNOLOGY**

On April 27, 2023 - Following the announcement on February 6, 2023, Maire Tecnimont S.p.A. announced that NextChem, the subsidiary that is part of the Sustainable Technology Solutions business unit, has acquired 51% of MyRemono S.r.l., a new company to which Biorenova S.p.A. has transferred patents, assets, including a pilot plant, and contracts related to CatC, an innovative catalytic depolymerization technology for plastics. CatC is 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®).

The first CatC technology demonstration plant, with a processing capacity of about 1,600 tons of plastic waste per year, is operating in Abruzzo, Italy, and monomer samples have been fully validated by potential customers. The results achieved indicate that CatC represents a cost-effective, efficient (about 95% plastic conversion) and competitive alternative to other Plexiglass® depolymerization technologies, even considering that the monomers can be reprocessed in a circular approach.

MyRemono will build the first industrial plant with a treatment capacity of up to a maximum of approx. 5,000 tons per year, scheduled to start operation in the second half of 2025, when commercial licensing, process engineering, and critical equipment supply activities will also be launched.

MyRemono also plans to expand the application of this technology to other value-added plastics, including the depolymerization of polystyrene, a widely used plastic with numerous industrial uses from food packaging to electronics and automotive, among others.

Further optimization of the technology would provide access to the broader polyolefin market.

This acquisition adds another important aspect to the execution of MAIRE's strategy, which identifies the expansion of NextChem's sustainable technology portfolio as a key growth driver over the next 10 years.

The price of the 51% stake acquired from NextChem is Euro 6.12 million, of which Euro 4.12 million was paid on closing and Euro 2.0 million is to be paid within 36 months upon the fulfillment of certain conditions. The shareholders NextChem and Biorenova, simultaneous to closing, made a capital increase of Euro 2.2 million and also subscribed to a shareholder loan of an additional Euro 2.0 million, to be disbursed within 12 months from the closing date to support planned investments, including the construction of the first industrial plant. MyRemono's revenues are expected to grow gradually from 2025 to reach a cumulative amount of Euro 30 million by 2028. After this period, the expected revenue is approx. Euro 15-20 million per year, with an EBITDA margin of approx. 40% when fully operational.



## **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”). Maire Investments S.p.A. (“MI”), owner of the remainder of NextChem (43.33%), also transferred its holding to NextChem Holding.

A paid-in and indivisible share capital increase was therefore undertaken of NextChem Holding (initially 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 is now held by Maire Tecnimont and 21.63% by MI, while NextChem Holding wholly-owns 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, was 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.





## **MAIRE TECNIMONT ANNOUNCES 2023-2032 STRATEGIC PLAN “UNBOX THE FUTURE”**

On March 2, 2023, Maire Tecnimont S.p.A.'s Top Management outlined at the Capital Markets Day “Unbox the Future”, Maire's approved 2023 – 2032 Strategic Plan, presenting Maire's new industrial cycle, starting with its engineering capabilities and technologies based on more than 100 years of history in the chemicals industry. The Group accelerates its Energy Transition positioning, leveraging Sustainable Technologies and an Integrated Engineering & Construction approach. The Strategic Plan was presented together with the rebranding, in order to strengthen the business identity and vision of Maire.

Maire has identified the following 4 clusters which are already part of its core business and affected by the ongoing Energy Transition transformation: 1. Nitrogen Fertilizers; 2. H2 and Circular Carbon; 3. Fuels and Chemicals and 4. Polymers.

The industrial sector is facing structural changes and rapid shocks in its various core businesses, seeking new production paradigms to preserve performance while meeting the major global challenges. The market is now looking for an integrated approach based on the following 5 key pillars: 1. Technological Know-How; 2. Broad portfolio of Solutions; 3. Enabling innovation; 4. Flawless execution in complex environments and 5. Expertise in managing larger ecosystems.

These 5 pillars enable us to go beyond the traditional EPC value chain and are the foundation of Maire Tecnimont's strategic approach.

Following the reorganization, a new reporting structure was adopted and is based on two Business Units:

- **Sustainable Technology Solutions (STS):** in which all of NextChem's sustainable technology solutions are concentrated, as well as high value-added services aimed primarily at the energy transition. This business unit, given its technological nature, will express low volumes but with significantly high margins, also accompanied by a low level of risk.

- **Integrated E&C Solutions (IE&CS):** which features executive expertise and synergies on projects with integrated technologies and processes, as well as greater operational efficiency. Given the nature of these activities, high volumes for this business unit are expected and margins in line with the average for EPC contracts.

The expected growth set out in the 2023-2032 Strategic Plan is expected to emerge not only organically, but also through a major investment plan over its duration for over Euro 1 billion, which shall broaden the current and future technology portfolio, acquiring enabling technologies on which to scale up, co-investing in project development initiatives for projects generated by proprietary or exclusive to the Group sustainable technology solutions, in addition to recurring investments to support digitalization and organic investments for the growth of Maire Tecnimont's human capital. The recent acquisitions of CatC from BioRenova and Conser are within this scope.

The new strategy, together with the new organizational and reporting model, allows the intrinsic value of technology to be fully realized.

### **Financial Targets 2023-2032**

#### **Guidance 2023**

	<b>STS</b>	<b>IE&amp;CS</b>	<b>Total</b>
<b>Revenues</b>	€0.2-0.3 bln	€3.6-3.9 bln	€3.8-4.2 bln
<b>EBITDA Margin</b> <i>(as % of revenues)</i>	21-25%	5-6%	6-7%
<b>Capex</b>	€70-80 mn	€25-35 mn	€95-115 mn
<b>Net Liquidity</b>	in line with FY 2022		



## 2032 Target

	STS	IE&CS	Total
<b>Revenues</b> CAGR 2022-32	18-20%	6-8%	8-10%
<b>EBITDA</b> (growth vs FY 2022)	7.0x-8.0x	2.0x-3.0x	3.0x-4.0x
<b>EBITDA Margin</b> (as % of revenues)	20-25%	5-6%	8-9%
<b>Capex</b> Cumulative 2023-32	450-550 mn	600-700 mn	>1,000 mn

On the basis of the above forecasts, the Net Cash at December 2022 (Euro 94 million) is expected to more than double by 2027 with approx. 60% of capex planned within this period. In the second part of the plan, thanks to the significant expected operating cash flow growth, together with a more normalized level of investment, Net Cash is expected to grow ten-fold by 2032 compared to 2022, after also considering a potential increase in the payout ratio of 45%, mainly emerging in the first half of the plan, until reaching two-thirds in the second half.

## **MAIRE TECNIMONT STRENGTHENS FINANCIAL STRUCTURE WITH NEW SACE-BACKED LOAN**

Milan, March 13, 2023, Maire Tecnimont S.p.A. announces the signing of a new Euro 150 million loan, backed for 80% by SACE S.p.A.'s guarantee and further strengthening the Maire Tecnimont Group's financial structure.

This loan was issued by a syndicate of leading Italian banks, comprising Banco BPM, MPS Capital Services and Intesa Sanpaolo (IMI Corporate & Investment Banking Division). This latter acts also as the "SACE Agent" and Agent Bank for the transaction.

In accordance with Decree-Law No. 50 of May 17, 2022, the loan is mainly to support the funding (including R&D spend) and working capital needs of the parent company MAIRE and of Tecnimont S.p.A., the MAIRE Group's main operating company headquartered in Italy.

The new loan shall have 6-year duration, of which 3 years grace period, a Euribor 3-month +1.7% margin annual rate, in addition to the cost of the SACE S.p.A. guarantee, and may be fully or partly settled at any time without penalties.

## **MAIRE STRENGTHENS FINANCIAL STRUCTURE WITH NEW SACE-BACKED LOAN**

On May 25, 2023, MAIRE S.p.A. announced the signing of a new Euro 40 million loan with BPER Corporate & Investment Banking, backed for 80% by SACE S.p.A.'s guarantee and further strengthening the Group's financial structure.

In accordance with Decree-Law No. 50 of May 17, 2022, the loan is mainly to support the funding (including R&D spend) and working capital needs of the parent company MAIRE and of Tecnimont S.p.A., the Group's main operating company headquartered in Italy.

The loan matures in December 2028 and has a three-year grace period. It provides for a Euribor 3-month +1.7% margin annual rate, in addition to the cost of the SACE S.p.A. guarantee, and may be fully or partly settled at any time without penalties.



## **OTHER ASPECTS OF GOVERNANCE**

### **MAIRE TECNIMONT S.P.A. ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING: STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2022 AND DISTRIBUTION OF A DIVIDEND APPROVED. ALESSANDRO BERNINI CONFIRMED AS DIRECTOR AND CHIEF EXECUTIVE OFFICER; PROPOSAL TO AMEND THE BY-LAWS APPROVED.**

On April 19, 2023 – The Ordinary Shareholders' Meeting of Maire Tecnimont S.p.A. met and approved: the Statutory Financial Statements at December 31, 2022 of the Company; the proposal to distribute a dividend totaling Euro 40,737,860.74 and as per Article 2386 of the Civil Code the meeting confirmed Alessandro Bernini as a Non-independent Director of the Company. The Ordinary Shareholders' Meeting, in addition, approved the 2023 Remuneration Policy, the adoption of the “Maire Tecnimont Group 2023-2025 Long-Term Incentive Plan” and the adoption of the “Maire Tecnimont Group 2023-2025 General Share Plan”.

The Ordinary Shareholders' Meeting also approved the authorization to acquire treasury shares up to a maximum 10,000,000 ordinary shares, 3.04% of the shares currently in circulation.

Finally, the Extraordinary Shareholders' Meeting also approved the proposals to amend Article 1 (Name), 4 (Duration), 10 (Attendance and voting at the Shareholders' Meeting), 14 (Appointment of the Board of Directors), 16 (Calling and meetings of the Board of Directors) and 21 (Appointment of the Board of Statutory Auditors) of the Company's By-Laws. The new company By-Laws, as amended by today's Shareholders' Meeting, are available on the company website [www.mairetecnimont.com](http://www.mairetecnimont.com) (“Governance” “Corporate Documents Archive” section) and on the 1info authorized storage mechanism ([www.1info.it](http://www.1info.it)) in accordance with law.

## **REPLACEMENT OF A DIRECTOR**

On May 24, 2023, the Board of Directors of MAIRE S.p.A. accepted the resignation of Non-Executive Director Francesca Isgrò from her positions as Board Member, member of the Remuneration Committee and Lead Independent Director of the Company, due to new upcoming professional positions that were incompatible with these roles. Having ascertained that there were no further unelected candidates belonging to the slate from which Ms Isgrò had been elected, the Board co-opted Isabella Nova (Chief Executive Officer of the Polytechnic University of Milan) as MAIRE S.p.A.'s new Non-Executive Director, pursuant to Article 2386 of the Civil Code and Article 14 of the By-Laws and with the approval of the Board of Statutory Auditors.

In accordance with the law, Isabella Nova will remain in office until the Company's next Shareholders' Meeting. The Board of Directors then assessed and, on the basis of the information available and the declarations provided, confirmed that Isabella Nova meets the requirements of the applicable rules and regulations, in addition to the By-Laws of MAIRE S.p.A., to hold the position of company Director, and that - 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 - she meets the independence requirements set out under law and the Code by the Directors. Francesca Isgrò and Isabella Nova do not currently hold any ordinary shares in MAIRE S.p.A.

We note that, following the termination of the positions held, Francesca Isgrò is not entitled to any indemnity or other benefits, with the exception of the payment of the pro-rata fees due to her for the positions and any reimbursement of expenses due.



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## **MAIRE S.p.A: REMUNERATION COMMITTEE SUPPLEMENTED AND NEW LEAD INDEPENDENT DIRECTOR APPOINTED**

On June 28, 2023, the MAIRE S.p.A. Board of Directors supplemented the Company's Remuneration Committee by appointing Independent Non-Executive Director Isabella Maria Nova as its new member.

Consequently, the Remuneration Committee currently comprises the Non-Executive Independent Directors Paolo Alberto De Angelis (Chairperson) and Isabella Maria Nova and the Non-Executive Director Luigi Alfieri. The Directors Paolo Alberto De Angelis and Luigi Alfieri have appropriate knowledge and experience in finance or remuneration policy.

Enacting Recommendation 13 of the Corporate Governance Code, MAIRE's Board of Directors also appointed Non-Executive Independent Director Cristina Finocchi Mahne as MAIRE's new Lead Independent Director, effective today.

## **MAIRE JOINS EURONEXT TECH LEADERS SEGMENT FOR LEADING AND HIGH-GROWTH EUROPEAN TECH COMPANIES**

On June 15, 2023, MAIRE S.p.A. announced that it has joined Euronext Tech Leaders, the new initiative for leading and high-growth Tech companies developed by Euronext, the leading pan-European market infrastructure that manages the regulated stock markets in Belgium, France, Ireland, Italy, Norway, the Netherlands and Portugal.

MAIRE was included in the "Green Production Practices" subsector of the Cleantech cluster, which includes companies that develop production processes, products or services to reduce natural resource consumption.

Euronext's Tech ecosystem unites more than 700 Tech companies listed on Euronext markets, with a wide international investor base that finances growth of all types at Tech companies.

Euronext Tech Leaders is an initiative that includes over 100 leading, high-growth companies, each meeting a specific range of criteria. It complements Euronext's existing Tech offering and seeks to strengthen the sector at the European level, in addition to being a catalyst for the next generation of Tech leaders.

As a Euronext Tech Leader, MAIRE will benefit from a range of services that Euronext and its partners offer to the technology sector. One of these is inclusion in the Euronext Tech Leaders index, which covers all the companies in the segment.

## **UPDATE ON SUSTAINABILITY INITIATIVES**

During the first half of the year, MAIRE continued to execute on its ESG agenda, with numerous activities undertaken in the five clusters of the sustainability strategy. Specifically, major initiatives include:

- ENVIRONMENT Cluster: the Group has started to introduce a new Scope 3 emission calculation methodology, based on both the weight of goods purchased during the year and spending data, with a view to determining reduction targets by the end of 2023 in order to achieve the 2050 carbon neutrality target;
- PEOPLE Cluster: in the area of Diversity, Equity & Inclusion, the Group continued the training activity already undertaken with employees in Italy, extending it to 81% of the entire workforce of the Indian subsidiary Tecnimont Private Limited; MAIRE also joined the "Target Gender Equality" acceleration program dedicated to companies who have signed up to the UN Global Compact;



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- COMMUNITIES Cluster: one of three Corporate Social Responsibility projects planned for 2023 was introduced, with support for the Women in Science, Engineering (WiSE) initiative, aimed at encouraging female students from rural India to pursue studies in STEM disciplines through an intensive one-week program at IIT Bombay in Mumbai, which was attended by 165 female students,
  - INNOVATION Cluster: MAIRE has joined the "ROAD" open innovation platform launched with the aim of creating a center of excellence for expertise and innovation in the area of energy transition in Italy;
  - GOVERNANCE Cluster: the business integrity training campaign continued, provided to approx. 50% of MAIRE's workforce; the corporate boards of some MAIRE subsidiaries were also renewed, with 53% of the new appointments female.



## 2. Group operating performance

The Maire Tecnimont Group H1 2023 key financial highlights (compared to H1 2022) are reported below:

(YTD in Euro thousands)	NOTE (*)	H1 2023	%	H1 2022	%	Change
<b>Performance indicators:</b>						
Revenues	22.1-2	1,965,718		1,615,415		350,302 21.7%
Business Profit (**)	22.3	166,628	8.5%	137,819	8.5%	28,809 20.9%
EBITDA (***)	22.3	120,943	6.2%	97,433	6.0%	23,510 24.1%
EBIT		94,776	4.8%	71,700	4.4%	23,076 32.2%
Net financial expense	22.10-11-12	(17,416)	(0.9%)	(13,721)	(0.8%)	(3,695) 26.9%
Income before tax		77,361	3.9%	57,979	3.6%	19,381 33.4%
Income taxes	22.13	(23,374)	(1.2%)	(17,371)	(1.1%)	6,003 34.6%
Tax rate		(30.2%)		(30.0%)		N/A
Net income for the period		53,987	2.7%	40,609	2.5%	13,378 32.9%
Group net income		51,568	2.6%	42,173	2.6%	9,394 22.3%

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

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

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

The Maire Tecnimont Group in H1 2023 reported revenues of Euro 1,965.7 million, up 21.7% on H1 2022, thanks to the progress of the projects under execution, which have reached stages with higher volumes.

The Group reports a Business Profit of Euro 166.6 million for H1 2023, up 20.9% on Euro 137.8 million on the same period of the previous year, as a consequence of the higher volumes for the period. The consolidated Business Margin in H1 2023 was 8.5%, in line with the same period of the previous year.

General and administrative costs amounted to Euro 41.5 million (Euro 36.4 million in H1 2022), an increase on the same period of the previous year, following the strengthening of the structure to support the overall increase in Group operations. In H1 2023 they accounted for 2.1% of consolidated revenues, down from the 2.3% reported in H1 2022.





Thanks also to a highly efficient cost structure, net of R&D costs of approx. Euro 4.2 million (Euro 3.9 million in H1 2022), the Group reports EBITDA of Euro 120.9 million, up 24.1% on the same period of the previous year (Euro 97.4 million), essentially due to higher volumes. The margin was 6.2%, increasing 20 basis points on the same period of the previous year.

Amortization, depreciation, write-downs and provisions totaled Euro 26.2 million (Euro 13.3 million concerning the depreciation of the right-of-use - leasing recognized as per IFRS 16), small increase on the same period of the previous year (Euro 25.7 million), following the beginning of depreciation on new assets for the digitalization of industrial processes and of new patents and technological developments, and ongoing market uncertainties that continue to affect the ratings of some clients, with consequent provisions for bad debts.

As outlined above, H1 2023 EBIT was Euro 94.8 million, up 32.2% on the previous year (Euro 71.7 million) and with a margin of 4.8%, up 40 basis points on the same period of the previous year.

The net financial result presents expenses of Euro 17.4 million (Euro 13.7 million in 2022), increasing on the same period of the previous year due to the increased interest rates affecting the variable rate financial debt, partially offset by increased interest income on liquidity.

Income before taxes amounted to Euro 77.4 million, with estimated income taxes of Euro 23.4 million, increasing approx. Euro 6 million, essentially due to higher income before taxes than the previous year, driven by a strong operating performance in H1 2023. The effective tax rate was approx. 30.2%, in line with the average tax rate reported for the preceding quarters and based on the various localities in which Group operations are carried out.

H1 2023 consolidated net income was Euro 54 million (Euro 40.6 million in 2022), up 32.9% as a result of that outlined above. The consolidated revenue margin in H1 2023 was 2.7%.

Group net income amounted to Euro 51.6 million, up 22.3% on 2022 (Euro 42.2 million).

### **ALTERNATIVE PERFORMANCE INDICATORS**

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



### 3. Performance by Business Unit

#### **INTRODUCTION**

Maire Tecnimont S.p.A. heads an integrated industrial group providing engineering services and large works in various industrial sectors on the domestic and international markets.

The BU figures are in line with the new 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 June 30, 2023.

In the fourth quarter of 2022, the Group launched an industrial reorganization 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".

The features of these sectors are outlined below:

- I. **Sustainable Technology Solutions (STS)**: in which all of NextChem Holding's sustainable technology solutions are concentrated, as well as high value-added services aimed primarily at the energy transition. This business unit, given its technological nature, expresses low volumes but with significantly high margins, also accompanied by a low level of risk. The BU therefore focuses 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);
- II. **Integrated E&C Solutions (IE&CS)**: covering the general contractor executive responsibilities and all typical EPC (Engineering, Procurement and Construction) project activities and synergies on projects with integrated technologies and processes. Given the nature of these activities, high volumes for this business unit are expected and margins in line with the average for EPC contracts. This BU may provide services or operate in partnership with the "STS" BU, given the growing demand for investments with sustainability features.

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 H1 2023 key financial highlights by Business Unit (compared to the same period of the previous year) are reported below, although restated according to the new reporting used from the beginning of 2023 also in order to facilitate the financial market's understanding of the evolution of the operating/financial performance:





(in Euro thousands)	Integrated E&C Solutions		Sustainable Technology Solutions		Total	
	Total	% on Revenues	Total	% on Revenues	Total	% on Revenues
<b>30/06/2023</b>						
Revenues	1,848,318		117,400		<b>1,965,718</b>	
Business Margin	133,629	7.2%	32,999	28.1%	<b>166,628</b>	<b>8.5%</b>
EBITDA	95,362	5.2%	25,580	21.8%	<b>120,942</b>	<b>6.2%</b>
<b>30/06/2022</b>						
Revenues	1,525,255		90,160		<b>1,615,415</b>	
Business Margin	114,191	7.5%	23,628	26.2%	<b>137,819</b>	<b>8.5%</b>
EBITDA	80,201	5.3%	17,232	19.1%	<b>97,433</b>	<b>6.0%</b>
<b>Change H1 2023 vs H1 2022</b>						
Revenues	323,062	21.2%	27,240	30.2%	<b>350,302</b>	<b>21.7%</b>
Business Margin	19,438	17.0%	9,371	39.7%	<b>28,809</b>	<b>20.9%</b>
EBITDA	15,161	18.9%	8,349	48.4%	<b>23,510</b>	<b>24.1%</b>

### **INTEGRATED E&C SOLUTIONS (IE&CS) BUSINESS UNIT**

H1 2023 revenues amounted to Euro 1,848.3 million (Euro 1,525.3 million in H1 2022), up 21.2% on the previous year, thanks to the entry of projects into phases capable of expressing higher volumes, as well as the contribution expressed by contracts acquired in the initial months of the year.

The “IE&CS” Business Unit reports a Business Profit of Euro 133.6 million in H1 2023, up from Euro 114.2 million in the previous year, due essentially to the increase in business volumes for the period as described above. The Business Margin in H1 2023 is 7.2%, down from H1 2022 due to a different mix of projects under execution which are not yet significantly affected by the margins of recent new acquisitions.

The “IE&CS” Business Unit, taking account also of general and administrative costs and of R&D costs, in H1 2023 reports EBITDA of Euro 95.4 million, increasing 18.9% on the previous year (Euro 80.2 million), essentially, as indicated above, due to the greater volumes in H1 2023. The margin was 5.2%, reducing slightly on 2022 but in line with forecasts.

### **SUSTAINABLE TECHNOLOGY SOLUTIONS (STS) BUSINESS UNIT:**

H1 2023 revenues totaled Euro 117.4 million, up 30.2% on the same period of the previous year (Euro 90.2 million in H1 2022), due to a constant increase in both the licensing of technology solutions and other high value-added services supporting the energy transition. The result also incorporates the contribution of the newly-acquired Conser, consolidated from 2023.

The H1 2023 Business Profit was Euro 33 million (Euro 23.6 million in H1 2022), increasing on the previous year due to the higher volumes in 2023. Finally, the H1 2023 Business Margin was 28.1%, increasing on H1 2022, due to a differing mix of high added-value technological solutions and services in the period.

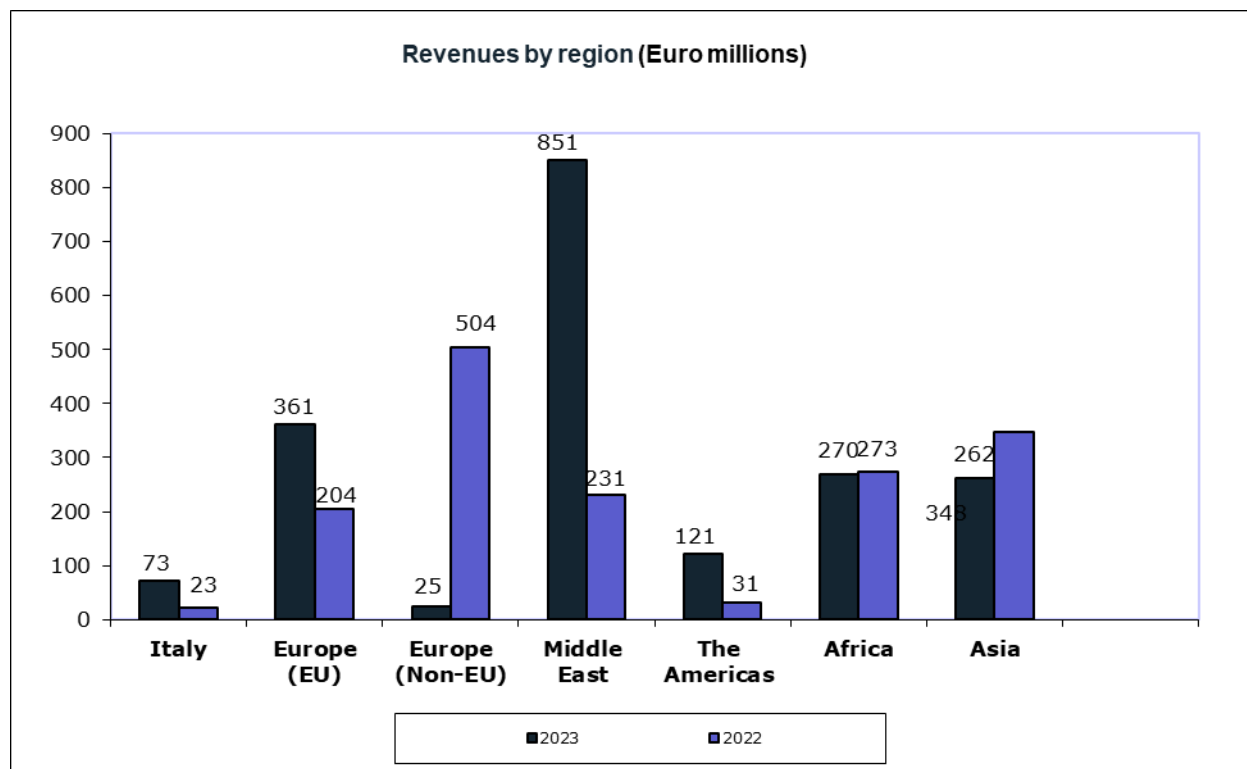


The “STS” Business Unit, taking account also of the general and administrative and R&D costs, reported for H1 2023 EBITDA of Euro 25.6 million, which significantly increased on the previous year (Euro 17.2 million for H1 2022), essentially due to the increased volumes in the period and an altered production and technological solutions mix, as outlined above.

### **VALUE OF PRODUCTION BY REGION:**

The regional breakdown of Revenues in H1 2023 compared to the previous year is illustrated below:

(in Euro thousands)	H1 2023		H1 2022		Change	
	Total	%	Total	%	Total	%
<b>Italy</b>	72,669	3.7%	23,196	1.4%	49,473	213.3%
<b>Overseas</b>						
· Europe (EU)	360,877	18.4%	203,931	12.6%	156,947	77.0%
· Europe (non-EU)	24,514	1.2%	504,417	31.2%	(479,904)	(95.1%)
· Middle East	850,838	43.3%	231,279	14.3%	619,560	267.9%
· The Americas	120,760	6.1%	30,690	1.9%	90,069	293.5%
· Africa	270,116	13.7%	273,277	16.9%	(3,161)	(1.2%)
· Asia	261,682	13.3%	347,894	21.5%	(86,211)	(24.8%)
· Other	4,262	0.2%	732	0.0%	3,530	na
<b>Total Consolidated Revenues</b>	<b>1,965,718</b>		<b>1,615,415</b>		<b>350,302</b>	<b>21.7%</b>



The above table indicates the percentage of revenues by region, reflecting the current development of activities. The revenue table indicates the significant recovery in the Middle East area following the development of projects, principally Borouge 4. Africa and the Americas also saw growth on the same period of the previous year on the basis of the projects under execution.

Asia, and particularly India, saw a reduction related to the very advanced stage of the main Indian projects, which in the previous year significantly affected the Group's activity. In addition, non-EU (mainly Russia) activities were substantially absent as a result of the development of European sanctions which have been applied since the beginning of the crisis in 2022 until the current period and which resulted in the suspension and/or cancellation of projects located in those regions.



## 4. Backlog by Business Unit and Region

The following tables outline the Group's Backlog, broken down by Business Unit at June 30, 2023, net of third party shares and compared to the previous year:

### BACKLOG BY BUSINESS UNIT

(in Euro thousands)				Integrated E&C Solutions	Sustainable Technology Solutions	Total
Adjusted	Initial	Order	Backlog	8,454,244	159,767	8,614,011
Adjustments/Eliminations (**)				(38,678)	73,009	34,331
2023 Order Intake				2,263,555	98,566	2,362,121
Revenues				1,848,318	117,400	1,965,718
<b>Backlog at 30/06/2023</b>				<b>8,830,803</b>	<b>213,941</b>	<b>9,044,745</b>

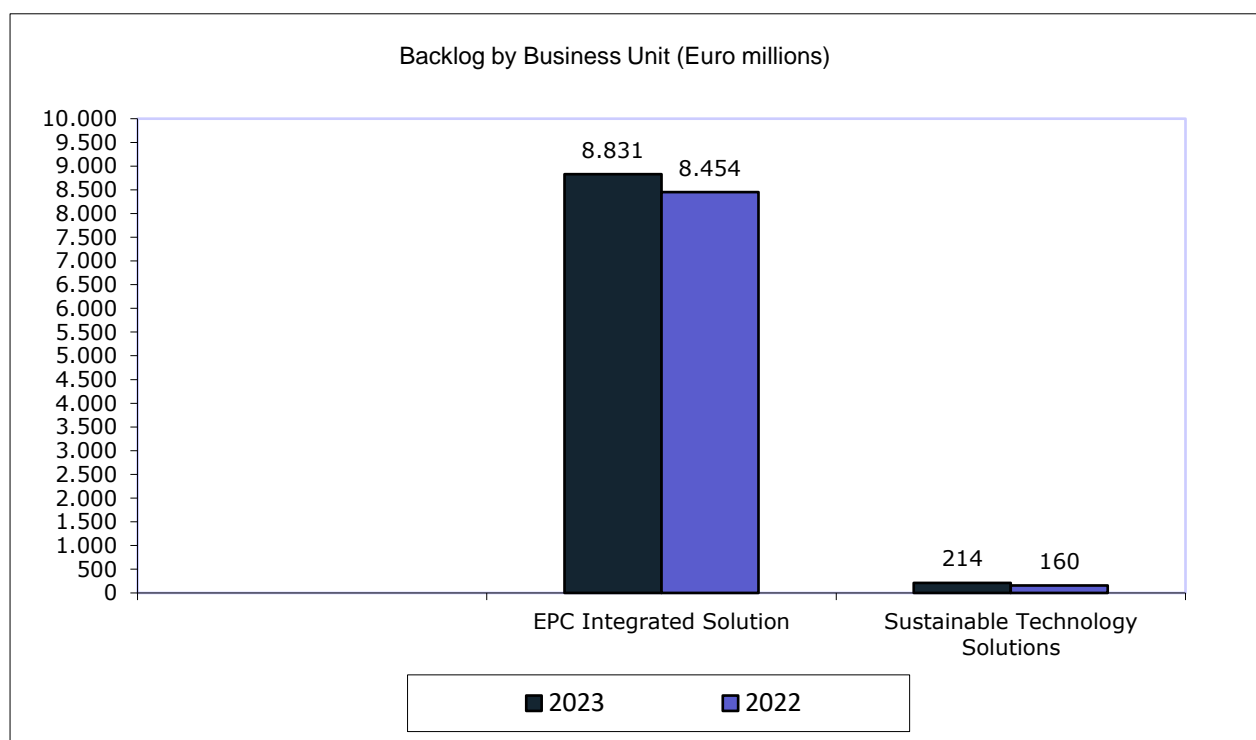
(<sup>(\*)</sup>) The initial backlog was restated according to the new internal reporting structure used from 2023, following the industrial reorganization of the Maire Group. For further details, reference should be made to section "3 - Performance by Business Unit".

(<sup>(\*\*)</sup>) The adjustments/eliminations for 2023 mainly reflect those related to exchange rate effects on the portfolio and other minor adjustments.

(in Euro thousands)							
Backlog at 31.12.2022 (*)		Backlog at 30.06.2023	Backlog at 30.06.2022 (*) (**)	Change June 2023 vs June 2022		Change June 2023 vs December 2022	
8,454,244	Integrated E&C Solutions	8,830,803	9,122,143	(291,339)	(3.2%)	376,560	4.5%
159,767	Sustainable Technology	213,941	122,255	91,687	75.0%	54,174	33.9%
<b>8,614,011</b>	<b>Total</b>	<b>9,044,745</b>	<b>9,244,397</b>	<b>(199,652)</b>	<b>(2.2%)</b>	<b>430,734</b>	<b>5.0%</b>

(<sup>(\*)</sup>) The initial backlog and at December 31, 2022 and June 30, 2022 were restated according to the new internal reporting structure used from 2023, following the industrial reorganization of the Maire Group. For further details, reference should be made to section "3 - Performance by Business Unit".

(<sup>(\*\*)</sup>) The backlog at June 2022 still includes for Euro 1,035 million the value of Russian projects subsequently eliminated from the portfolio from Q3 2022.



In the first six months of 2023, the Maire Tecnimont Group won new projects and existing contract extensions worth approx. Euro 2,362.1 million. The Backlog at June 30, 2023 was Euro 9,044.7 million, increasing by approx. Euro 430.7 million (+5%) on the figure at December 31, 2022.

### **BACKLOG BY REGION**

The Group Backlog broken down by region at June 30, 2023 and compared with the previous year is presented below:

(in Euro thousands)	Overseas								Total
	Italy	Europe (EU)	Europe (non-EU)	Middle East	The Americas	Africa	Asia	Other	
Adjusted Initial Order Backlog at 01/01/2023 (*)	439,863	1,329,025	31,316	4,395,499	516,904	1,256,050	640,174	5,180	8,614,011
Adjustments/Eliminations	16,204	27,446	20,768	110,360	(169,182)	7,447	20,342	946	34,331
2023 Order Intake	45,819	164,497	1,257	1,852,466	121,974	43,686	128,477	3,944	2,362,121
Revenues	72,669	360,877	24,514	850,838	120,760	270,116	261,682	4,262	1,965,718
Backlog at 30/06/2023	429,217	1,160,091	28,827	5,507,487	348,937	1,037,068	527,310	5,808	9,044,745

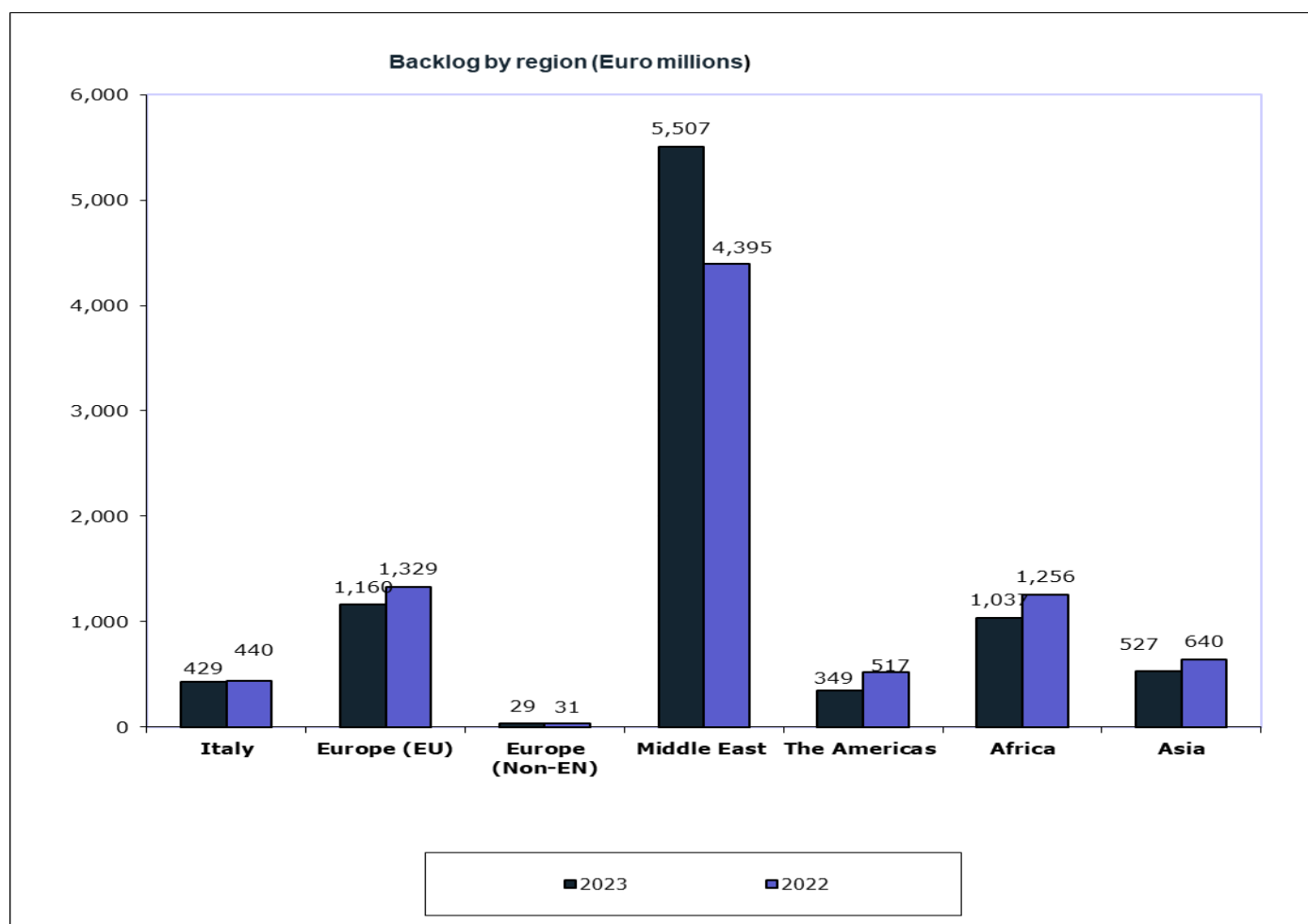
(\*) The initial backlog was restated according to the new internal reporting structure used from 2023, following the industrial reorganization of the Maire Group. For further details, reference should be made to section "3 - Performance by Business Unit".

(\*\*) The adjustments/eliminations for 2023 mainly reflect those related to exchange rate effects on the portfolio and other minor adjustments.



Backlog at 31.12.2022 (*)	(in Euro thousands)	Backlog at 30.06.2023	Backlog at 30.06.2022 (*)	Change June 2023 vs June 2022		Change June 2023 vs December 2022	
					%		%
439,863	Italy	429,217	437,815	(8,598)	(2.0%)	10,646	2.4%
1,329,025	Europe EU	1,160,091	1,322,428	(162,337)	(12.3%)	168,934	12.7%
31,316	Europe (non-EU)	28,827	1,034,762	(1,005,934)	(97.2%)	2,489	7.9%
4,395,499	Middle East	5,507,487	3,608,290	1,899,197	52.6%	(1,111,988)	(25.3%)
516,904	The Americas	348,937	423,770	(74,834)	(17.7%)	167,967	32.5%
1,256,050	Africa	1,037,068	1,520,695	(483,628)	(31.8%)	218,982	17.4%
640,174	Asia	527,310	891,783	(364,472)	(40.9%)	112,864	17.6%
5,180	Others	5,808	4,855	954		(628)	(12.1%)
<b>8,614,011</b>	<b>Total</b>	<b>9,044,745</b>	<b>9,244,397</b>	<b>(199,652)</b>	<b>(2.2%)</b>	<b>(430,734)</b>	<b>(5.0%)</b>

(\*) The backlog at March 2022 still includes for Euro 1,035 million the value of Russian projects subsequently eliminated from the portfolio from Q3 2022.





## ORDER INTAKE BY BUSINESS UNIT AND REGION

The table below outlines H1 2023 Group Order Intake broken down by Business Unit and Region and compared with the previous year:

(in Euro thousands)	H1 2023		H1 2022		Change 2023 vs 2022	
	% of total		% of total			
Order Intake by Business Unit:						
Integrated E&C Solutions	2,263,555	95.8%	1,045,933	96.3%	1,217,622	116.4%
Sustainable Technology Solutions	98,566	4.2%	40,097	3.7%	58,469	145.8%
Total	2,362,121	100%	1,086,029	100%	1,276,091	117.5%
Order Intake by Region:						
Italy	43,855	1.9%	107,094	9.9%	(63,239)	(59.0%)
Europe EU	163,387	6.9%	265,981	24.5%	(102,594)	(38.6%)
Europe (non-EU)	2,424	0.1%	16,119	1.5%	(13,695)	(85.0%)
Middle East	1,828,680	77.4%	90,820	8.4%	1,737,860	1913.5%
The Americas	178,455	7.6%	376,481	34.7%	(198,026)	(52.6%)
Africa	36,938	1.6%	165,522	15.2%	(128,584)	(77.7%)
Asia	87,323	3.7%	59,296	5.5%	28,027	47.3%
Others	21,057	0.9%	4,714	0.4%	16,343	346.7%
Total	2,362,121	100%	1,086,029	100%	1,276,091	117.5%

In H1 2023, the Maire Tecnimont Group won new projects and existing contract extensions worth approx. Euro 2,362.1 million. For further details, reference should be made to the analysis of the backlog by business unit.

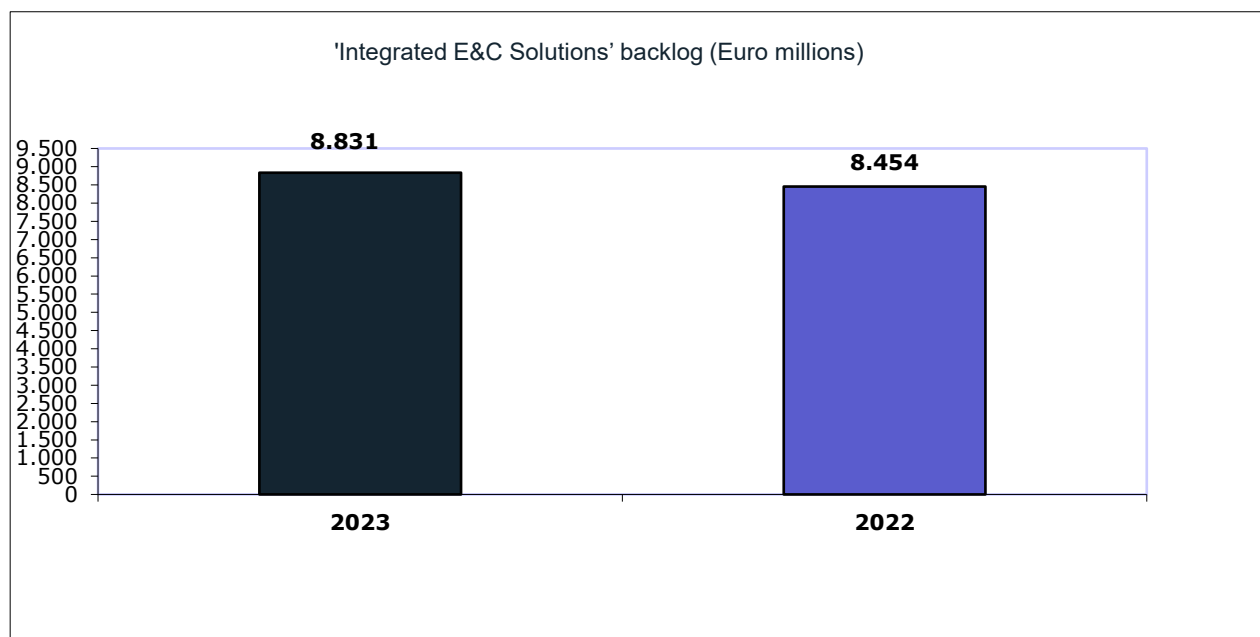
This is a significant increase on the H1 2022 figure, mainly as a result of the acquisition of the Amiral project in H1 2023, relating to two EPC contracts related to the petrochemical expansion of the SATORP refinery (a JV comprising Saudi Aramco and TotalEnergies), at Jubail in Saudi Arabia for a total value of about USD 2 billion.

## ANALYSIS OF THE "INTEGRATED E&C SOLUTIONS (IE&CS)" BUSINESS UNIT BACKLOG

The Backlog at June 30, 2023 compared with the previous year is as follows:

(in Euro thousands)	Backlog at 30.06.2023	Backlog at 31.12.2022 (*)	Change June 2023 vs December 2022	
			Total	%
Integrated E&C Solutions	8,830,803	8,454,244	376,560	4.5%

(\*) The comparison backlog was restated according to the new internal reporting structure used from 2023, following the industrial reorganization of the Maire Group. For further details, reference should be made to section "3 - Performance by Business Unit".



The "IE&CS" BU Backlog at June 30, 2023 was Euro 8,831 million, increasing by Euro 376.6 million on December 31, 2022.

In H1 2023, the Maire Tecnimont Group won new projects and existing contract extensions worth approx. Euro 2,263.6 million in relation to the "IE&CS" Business Unit.

### **PRINCIPAL PROJECTS AWARDED**

**AMIRAL (Saudi Arabia)** - June 2023 - Tecnimont S.p.A. and Tecnimont Arabia Limited were awarded two lump-sum turn-key EPC contracts related to the petrochemical expansion of the SATORP refinery (a JV comprising Saudi Aramco and TotalEnergies), in Jubail, Saudi Arabia. The petrochemical plant will enable the conversion of refinery gas and naphtha, along with ethane and natural gasoline, into higher value-added chemicals. The total contract value of the contracts is approx. USD 2 billion. The contracts cover the execution of two packages at the plant. These are the "Derivatives Units" package - which includes a butadiene extraction unit, an olefin extraction unit, a methyl tert-butyl ether unit, a butadiene selective hydrogenation unit, a Pygas second-stage hydrogenation unit, and a benzene and toluene extraction unit - and the "High Density Polyethylene (HDPE) and Logistics Area" package, which includes two polyethylene units and related product handling facilities. The scope of work includes all engineering services, equipment and materials supply, construction, pre-commissioning and commissioning activities, and will take approximately four years.

**Hail & Ghasha PCSA (United Arab Emirates)** - January 2023 - Tecnimont S.P.A. 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.





**ORLEN - PRE-TREATMENT PLANT - PŁOCK, (Poland)** - On May 30, 2023, KT S.p.A. signed a contract for the design, engineering, procurement and construction of the pre-treatment plant to be built at the PKN Orlen S.A. refinery, located in Płock, Poland. This includes the following units: special/enzymatic purification of vegetable oils, UCO and animal fats; wastewater treatment; storage. NextChem will act as the technology integrator. The pre-treatment plant must be designed for a capacity of 1,200 TPD. The Process Design Package (PDP) is being developed by Alfa Laval, which will provide a portion of the detailed engineering, procurement, and some proprietary equipment. The contract framework is EPC LSTK, which also includes commissioning, start-up and performance testing. The effective date of the contract (ED) is May 30, 2023. The project as a whole will last 24 months from the ED and provides for mechanical completion at month 23 and the Test Run at month 24. The contract price, on an LSTK basis, is Euro 39.7 million.

**ENAP - EPC CONTRACT for WET GAS SULFURIC ACID (WSA) and SOUR WATER STRIPPER (SWS) - ACONCAGUA REFINERY, Concón, (Chile)** - On May 3, 2023, a contract was signed with ENAP (Empresa Nacional del Petroleo) for work at the Aconcagua refinery in Concón, 130 km northwest of Santiago, Chile. Three parties are involved in the contract: ENAP, KT and Tecnimont Chile. KT is identified as the OFF-Shore Contractor, while Tecnimont Chile is identified as the ON-Shore Contractor. The scope of work consists of engineering, procurement and construction of a WSA (Licensed Haldor Topsoe) Unit and a SWS (Open Art) Unit and the relative systems interconnection on an EPC LSTK basis, while Commissioning activities are on a reimbursable basis. The duration of the project is 28 months, from the project start date ("*Fecha de Inicio*" 28/06/2023) until mechanical completion, plus two grace months. The Contract Price, set on an LS basis, is divided between an ON-Shore portion and an OFF-Shore portion, paid in both EUR and UF (Unidad de Fomento). The total contract price is equivalent to approx. Euro 101 million.

In addition to the contracts described above, in H1 2023, the Group's principal subsidiaries won new orders and change orders for 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:**

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 last year. 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.

The balance sheet regarding these projects continues to substantially be in equilibrium, with the "Contractual assets" and the "Trade receivables" recognized to the financial statements concerning the Russian projects accounting for approx. 10% 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.

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 customers is as follows:



**AMUR AGCC (Russia)** - acquired in 2020 by 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, an EPSS (Engineering, Procurement and Site Services) contract was awarded 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. The six-month validity of this agreement was later extended until April 23, 2023, by three amendments to the contract. During the suspension period, Tecnimont and MT Russia finalized 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 same time, the Parties negotiated and concluded the EPSS Contract Termination Agreement for the Tecnimont/MT Russia portion of the scope on April 20, 2023, which was finalized with official signatures (including that of SEI/SEG-R) on May 24, 2023 (Amendment #33). The contract was terminated by mutual consent, with no liability borne by TCM/MTR, while the Performance Bonds (2) were returned by the Client on May 29, 2023. TCM/MTR continues, however, to have an obligation to novate/resell the partially or fully manufactured goods to Third Parties identified by the Client in full compliance with EU Sanctions, in order to partially recover the down payment paid to the Contractor for Purchase Orders that were never issued.

**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 99.9% complete. Mechanical Completion and Commissioning Completion Certificates have been obtained. The project is 99.9% complete. Completion of the project with the signing of the PAC is expected in the third 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 have had 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 is completing the remaining marginal activities, including the completion of some local orders relating to the final punch list. The plant is now operational, and the planned test phase following the RFSU was completed successfully. The warranty period is ongoing under the responsibility of MT Russia.

**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 (General Contractor) 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 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. While the technology provided under the EPC contract was not subject to sanctions, the bank guarantees provided by Italian and international banks on behalf of Tecnimont suffered from the constraints imposed on all financial instruments to Russian entities. As such, a consensual agreement was reached under which the Client fully returned these guarantees in June 2023. Following this return, the Italian and international banks involved confirmed Tecnimont S.p.A. and MT Russia LLC's discharge from all commitments related to the guarantees. Project completion is scheduled for the end of 2024. As noted above, in compliance with the international sanctions, Tecnimont S.p.A. no longer conducts engineering activities or procures materials and is currently in the process of reaching an agreement for a complete exit, where deemed beneficial for Tecnimont.

**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%. Negotiations to terminate the contract are currently underway.

## **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 63%, while material procurement is at 74% with all major material orders placed, while construction activities started in Q4 2022 and are at approx. 8%. Specifically, civil piling work has been carried out on site and work has begun on all the major foundations, electrical substations, basements, and the installation of metal structures. All construction subcontracts were placed with local firms. The overall project progress is about 28%, 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 95% complete, with material procurement at over 90%, while construction is approx. 48% complete. The total advancement of the project is 68.8%. The contract completion date is scheduled for 44 months from the award date.

**RAS LAFFAN (Qatar)** - In December 2022, Tecnimont S.p.A. was awarded an EPC contract 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 scope of work includes all engineering services, supply of materials, and construction activities until mechanical completion. An option is also provided for plant start-up and commissioning assistance activities until Performance Tests are completed. Engineering is 28.1% complete, with material procurement at 6.2%, while work has begun at the site to prepare for construction. The project overall is 5.7% complete. Mechanical completion is expected in May 2026, while performance test completion is expected in November 2026. This will be followed by a warranty period of 12 months for plant components and 24 months for civil and structural works.

**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 slightly behind the project schedule, with some difficulties in the manufacturing and material delivery related to the international situation. Project completion is scheduled for H2 2024.

**COVESTRO (Belgium)** - acquired in January 2022 from the client COVESTRO. The EPC (Engineering, Procurement and Construction) contract involves the construction of a new aniline plant in Antwerp, Belgium. Engineering is 85.8% complete, with material procurement at 32.9%, while construction is 8.5% complete. The project is 30.7% complete overall. Mechanical completion is scheduled for March 2025.

**RHOURDE EL BAGUEL (Algeria)** - acquired by Technimont in October 2022 from the client Sonatrach, it involves the construction of an LPG production train with a capacity of 10 MMS m<sup>3</sup>/day and the related utilities. The new plant is next to an existing complex located 100 km east of Hassi Messaoud and approx. 900 km south of Algiers. The project was acquired on a lump-sum basis and includes engineering services, material procurement, construction and commissioning. Engineering and procurement are fully operational. The building site is being prepared and construction will begin in Q3 2023. The facility is scheduled for completion in Q4 2025.

**BLUE AMMONIA SYNLOOP (USA)** - acquired by Technimont in March 2022 to build a blue ammonia plant in Beaumont, Texas, United States. The Lump-Sum contract includes the provision of home office services (engineering, procurement, and management) and the supply and transportation of materials. The contract also provides for Technical Field Services on a reimbursable basis. Construction activities are performed by a third party and governed by a different contract issued by the client. Engineering is 83% complete, procurement services are at 64%, while manufacturing and supplies delivery is 39% complete. The total advancement of the project is 47%. The project duration for engineering and supply of materials stipulated in the contract is 26 months (May 2024). The plant PAC is scheduled for month 39 (June 2025).

**HARVEST (UAE)** - acquired in July 2022 by Technimont S.p.A., in collaboration with sister company Nextchem S.p.A. The Engineering, Procurement and Construction (EPC) Lump Sum Turn Key contract involves the construction of a low-carbon ammonia Synloop plant of about 3,000 metric tons per day to be built within the Ta'Ziz derivative Park (Ruwais, UAE). Engineering activities are approx. 35% complete while Procurement Preordering progress is over 56%, as the largest POs have been placed. As regards construction, pending the signing of Notice To Proceed No.2 regarding Bulk procurement and construction activities, work on the engagement of Subcontractors is underway. The total advancement of the project is approx. 5%. Completion is expected in H1 2026.

**GEMLIK GÜBRE (Turkey)** - In March 2020, Technimont 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 99.9% complete, while construction is 82.0% complete. The project is 93.4% complete overall. 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.



**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 the purchase of materials has been completed, while on site the civil portion is substantially complete. The mechanical and electro-instrumental portions have made good progress. Mechanical Completion is currently scheduled for fall 2023.

**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. Engineering is substantially complete. All subcontracts have been issued and orders completed for all Itemized equipment and Bulk. Delivery to site of all materials is underway and is expected to be completed by the end of December 2023. Piling has been completed at the site while civil works for the main structures, including buildings, are nearing completion, and piping prefabrication and steel structure erection are 70% and 40% complete respectively. Equipment assembly is underway. Piping and installation of electrical cable gangways has begun. Mechanical completion is expected by the end of 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 is 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 96.7% completion, procurement & manufacturing activities at 82.5% completion, while construction activities are at 32.5%. The project is 67.4% complete overall. Mechanical completion is scheduled for 30 months from the award date. A six-month extension of the completion date is being discussed due to client delays in performing various contractual obligations impacting construction and pre-commissioning.

**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 95.61% complete, manufacturing and materials delivery are 59.17% complete, while construction is 1.62% complete. This began on May 8, 2023 in accordance with the agreement with REPSOL in Contract Amendment 4, which was signed to cover the Claim submitted for extra materials costs and an extension of the completion date following REPSOL's delay in obtaining building permits. The total advancement of the project is 40.17%. Project completion is scheduled for within 47 months of the agreed effective date of July 26, 2021, which sets the Mechanical Completion Certificate milestone at June 8, 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, Pre-



commissioning, 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, Procurement and Construction are 100% complete. The total advancement of the project is 98.8%. The plant is scheduled for completion (take over) in December 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 65.1% complete. The total advancement of the project is 83.14%. 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 and the performance of subcontractors. The mechanical completion of works is set for November 2024, with the plant start-up in March 2025 and issue of the Final Acceptance Certificate within 33 months from October 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 Sulfide content of less than 15ppm in gasoline. The activities have progressed as follows: Home Office 99.6%, Manufacturing and Delivery 99.9%, Construction & Pre-commissioning 60.6%. The project is 82.3% complete overall. The completion of the project (Provisional Acceptance Certificate - PAC) is scheduled for March 30, 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 99.7%, Manufacturing and Delivery 99.9%, Construction & Pre-commissioning 68.5%. The project is 86.3% complete overall. The completion of the project (Provisional Acceptance Certificate - PAC) is scheduled for January 23, 2024.

**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: 100%, Construction & Pre-commissioning 100%, Commissioning and Start-up 96.2%. The project is 99.9% complete overall. The completion of the project (Provisional Acceptance Certificate - PAC) is scheduled for July 31, 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 2022 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. The warranty period ended on April 10, 2023. The issues raised during the warranty period are being concluded (estimated closure: October 2023), after which the client may be asked to accept the FAC.

**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. All commissioning activities are 100% complete. Both units have been in production for a number of months. Due to delays by the Client in making the feedstock available, the Performance Guarantee Test Run cannot yet be 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<sup>3</sup>/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 has passed the Performance Tests, the PAC (Provisional Acceptance Certificate) has been obtained, and the plant is currently operational.

**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. As planned, construction activities were completed (Mechanical Completion) in 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 Huan Qiu Contracting & Engineering Corporation L.td. (HQC) an EPCC Lump Sum Turn Key project for the construction of a high density polypropylene (HDPE) production unit for the RAPID (Refinery and Petrochemical Integrated Development) complex by PRPC Polymers Sdn Bhd (PRPC Polymers) - (“PETRONAS”) Group. The HDPE unit, based on the Hostalen Advance Cascade Process (HACP) technology of Lyondell 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 and PTR. At the end of March 2023, all three PTRs under the contract had been completed successfully. At the end of May 2023, the Client issued a Provisional Acceptance Certificate (PAC) for the project. Negotiations are currently underway with the Client to settle the compensation and contractual terms unilaterally established by the Client, which cover the remaining project activities postponed to 2023 due to the aforementioned 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 the end of 2023.

**PP MALAYSIA – PETRONAS (Malaysia)** - in November 2015, PRPC Polymers Sdn Bhd (PRPC Polymers) - (“PETRONAS”) Group - awarded the Tecnimont Group (TCM), as part of a joint venture with China HuanQiu Contracting & Engineering Corporation (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. 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 and carry out the remaining PTRs in progress. Completion is scheduled for Q3 2023. Negotiations are currently underway with the Client to settle the compensation and contractual terms unilaterally established by the Client, which cover the remaining project activities postponed to 2023 due to the aforementioned 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 the end of 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 tonnes 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. In May 2023, the parties signed a MOM which confirmed the closure of all the punch lists that remained open, in addition to full repayment of the Bond on June 30, 2023. Also in May, an additional MOM was signed which confirmed the assignment of the new An-Na project by the end of June 2023.

**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 27.4% complete.

**Motor Oil Hellas (MOH) (Greece)** - On December 27, 2022, Motor Oil Hellas (MOH) signed a contract with KT S.p.A. 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. The project is 6.5% complete.



**OMV - NEW AROMATICS COMPLEX - PLOIESTI (Romania)** - On September 7, 2022, KT S.p.A. was notified that OMV Petrom had awarded it 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. The project is 22.9% complete.

**ENI Marghera (Italy)** - ENI awarded KT S.p.A. 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<sup>3</sup>/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<sub>2</sub> 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 June 30, 2023, engineering and home office services activities are 82.8% complete; manufacturing is 57.1% complete; yard modularization progress stands at 2.2%. Overall progress for the project is 35.5%.

**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 214.86 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. At the end of June 2023, engineering was 89.4% complete; Procurement activities were at 74% completion at the end of June 2023, with the procurement campaign for equipment, metal structures, line instrumentation and electrical and control apparatus substantially complete. Construction activities were 20.7% complete in June 2023.

**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 80.8 million. Following the change of construction strategy from modularization to stick-built, the three MRU trains in the optional scope will be completed by December 2023. ASU phase activities are substantially complete. For the RUP phase, engineering activities are 97.5% complete at the end of June 2023, while procurement activities are 93.8% complete. Work on site is 71.6% complete at the end of June 2023. The overall progress of the RUP phase is 90.6% at June 30, 2023.

**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 179.2 million, plus Euro 1.5 million from the early works phase and the amount for 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 99.3% complete at the end of June 2023, procurement and construction were 98.8% and 51.8% complete respectively, while overall progress is at 79.8%. Civil works are scheduled for completion in August 2023. Prefabrication piping is expected to be completed in July 2023.

**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 early engineering works, and the original value of the contract was Euro 54.5 million. Contract delivery is CIF Dos Bocas within 17 months of the effective date. Project activities are almost complete, with overall progress approaching 100% at the end of June 2023. The client is carrying out mechanical assembly work.

**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 modernise 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 June 30, 2023, engineering and procurement activities were 99.8% and 99.3% complete respectively, and construction progress stands at 62.4%. Overall progress for the project is 77.5%.

**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 equivalent to approximately Euro 191.7 million, to which approved Change Orders of Euro 38.8 million equivalent 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; 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 in August 2023.

### **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 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)** - Ingeniería y Construcción Tecnimont Chile y Compañía 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., now merged into 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 Ingeniería y



Construcción Tecnimont Chile y Compañía Limitada. The total value of the EPC contracts is approx. USD 57.7 million. Engineering and procurement are fully operational.

### **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)<sup>4</sup> 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 1<sup>st</sup> and 2<sup>nd</sup> Addenda were signed at the same time as the 2<sup>nd</sup> 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**

**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 June 30, 2023 is approx. 95%.

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



## **ANALYSIS OF THE “SUSTAINABLE TECHNOLOGY SOLUTIONS (STS)” BUSINESS UNIT BACKLOG**

The Backlog at June 30, 2023 compared with the previous year is as follows:

(in Euro thousands)	Backlog at 30.06.2023	Backlog at 31.12.2022 (*)	Change June 2023 vs December 2022	
			Total	%
Sustainable Technology Solutions	213,941	159,767	54,174	33.9%

(\*) The comparison backlog was restated according to the new internal reporting structure used from 2023, following the industrial reorganization of the Maire Group. For further details, reference should be made to section “3 - Performance by Business Unit”.

The “STS” BU Backlog at was Euro 213.9 million at June 30, 2023, up Euro 54.2 million on the same period of the previous year.

In H1 2023, the Maire Tecnimont Group won new projects and existing contract extensions worth approx. Euro 98.6 million in relation to the “Sustainable Technology Solutions” Business Unit, increasing 2.5 times over the H1 2022 figure.

## **PRINCIPAL PROJECTS AWARDED**

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

In February 2023, NextChem Holding, through NextChem S.p.A. was 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.

### **STAMICARBON AWARDED NEW ULTRA-LOW-ENERGY PLANT CONTRACT IN CHINA**

In April 2023, Nextchem Holding, through Stamicarbon BV, a company operating in the area of nitrogen innovation and technology, was awarded licensing, process design, and equipment supply contracts for an ultra-low-energy urea plant in Jiangxi Province, China. This will be the largest energy-efficient plant with a capacity of 3,850 tons per day, and the seventh largest plant in the world based on Stamicarbon's innovative proprietary design, which reduces steam consumption by about 35% and cooling water consumption by about 16% compared to conventional processes.

### **NEXTCHEM AWARDED NEW ADVANCED ENGINEERING STUDY FROM STORENGY FOR SECOND-GENERATION BIOMETHANE PRODUCTION IN FRANCE**

In April 2023, NextChem Holding, through NextChem S.p.A., part of the Sustainable Technology Solutions business unit, after completing the advanced engineering study for methanation, previously announced in July 2022 for the Salamandre project in Normandy, was awarded a new



contract by Storengy to perform an additional advanced engineering study for the gasification of wood waste and purification of synthesis gas system (syngas) to produce biomethane. The scope of NextChem's work also includes the evaluation and estimation of engineering, procurement, and construction activities for the project's entire gasification and methanation package, including its ancillary units, which will be part of the client's final investment decision.

The plant, with an estimated capacity of 11,000 tons per year of biomethane, will be the world's first commercial project of its kind, feeding methane produced through pyrogasification of wood waste into the grid.

### **STAMICARBON AWARDED NEW LICENSING AND BASIC ENGINEERING CONTRACTS FOR A GREEN AMMONIA PLANT IN THE UNITED STATES**

In May 2023, NextChem Holding, through Stamicarbon BV, part of the Sustainable Technology Solutions business unit, was awarded licensing and basic engineering contracts by a major North American fertilizer producer for a green ammonia plant with a capacity of 450 tons per day. The plant will be built in the United States (with entry into operation in 2026) and produce green ammonia. This will be used as feedstock for nitrogen-based fertilizers, using state-of-the-art Stami Green Ammonia technology.

The main component for green fertilizer production, Stami Green Ammonia enables the production of ammonia with reduced environmental impact using natural elements. The process involves electrolysis of water to obtain hydrogen and the recovery of nitrogen from air, as an alternative to the steam reforming process of fossil fuels. The combination of proprietary technology and engineering requirements to develop small-scale green ammonia plants offered by Stamicarbon, as the fertilizer technology licensor of NextChem Holding, provides a sustainable and highly competitive alternative to conventional processes. This tried and tested technology can also be applied to existing plants as part of a hybrid technology solution to make the production of fertilizer more sustainable.

### **NEXTCHEM AWARDED FEASIBILITY STUDY BY MARCEGAGLIA TO DECARBONIZE RAVENNA STEEL PLANT USING CARBON CAPTURE TECHNOLOGIES**

June 2023 - NextChem Holding, through NextChem S.p.A., part of the Sustainable Technology Solutions business unit, and the Marcegaglia Group (Marcegaglia) signed an agreement for a feasibility study to accelerate the decarbonization of Marcegaglia's Ravenna steel plant. The study relates to the installation of units to capture carbon dioxide from exhaust gases. Once the feasibility study has been completed, NextChem will engage the Integrated E&C Solutions business unit to conduct the basic engineering design study (FEED).

When implemented, these solutions will have the potential to capture approx. 285 metric tons of carbon dioxide per day, emissions that would otherwise be released into the atmosphere. NextChem will provide a comprehensive assessment of the steel plant's decarbonization capacity and define technical specifications for carbon capture solutions.

Marcegaglia is a leading global steel processing industrial Group and is actively engaged in reducing carbon emissions, enacting significant decarbonization measures in the logistics, utilities and energy supply sectors. This goal is in line with MAIRE's technology value proposition, which seeks to support the energy transition for a growing number of clients. These clients operate not only in the natural resource processing industry, but also in hard-to-abate sectors such as cement and steel production.

The Sustainable Technology Solutions BU's other acquisitions mainly relate to new contracts for technology licenses and engineering services awarded by international clients, above all in Europe and the Far East.





NextChem will also act as the technology integrator for the new project acquired in the half year from KT-Kinetics Technology (BU IE&CS). This relates to a pre-treatment plant from PKN Orlen (PKN), which will be the first such plant in Poland and will contribute to the country's decarbonization plans in line with European Union Directives.

## **PROJECTS IN PROGRESS**

**ENI CASALBORSETTI:** Nextchem contract for engineering works for a CO<sub>2</sub> capture plant at the natural gas plant of Casalborgorsetti, in the province of Ravenna. The project was converted into a full EPC (Engineering Procurement and Construction) contract on March 8, 2023. The plant will be able to separate the CO<sub>2</sub> 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 contract began with a study in December 2021, and saw major progress in 2022 and H1 2023. The project is ongoing and is currently in the production phase.

**IPCEI Hy2USE:** 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. In H1, the Company prepared the documentation necessary to apply for the advance payment, which should constitute at least 10% of the grant, pending the issuance of the "granting decree". The R&D phase is currently in progress and related PDP development activities are being completed; The next steps involve beginning the FEED 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. The project is awaiting the release of the site by the owners. Process design activities for the circular ethanol unit, entrusted by NextChem to LanzaTech, are nearing completion.



## 5. Group balance sheet and financial position

The Maire Tecnimont Group key balance sheet highlights at June 30, 2023 and December 31, 2022 were as follows:

Maire Tecnimont Condensed Consolidated Balance Sheet (in Euro thousands)	June 30, 2023	December 31, 2022	Change
<b>Non-current assets</b>	<b>939,735</b>	<b>859,760</b>	<b>79,975</b>
Inventories/Advances to Suppliers	411,597	364,802	46,796
Contractual Assets	2,563,621	2,260,797	302,824
Trade receivables	653,879	704,182	(50,303)
Cash and cash equivalents	725,720	762,463	(36,744)
Other current assets	413,584	439,270	(25,687)
<b>Current assets</b>	<b>4,768,401</b>	<b>4,531,515</b>	<b>236,886</b>
<b>Assets held for sale, net of eliminations</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total assets</b>	<b>5,708,136</b>	<b>5,391,275</b>	<b>316,861</b>
<b>Group shareholders' equity</b>	<b>469,458</b>	<b>491,574</b>	<b>(22,117)</b>
<b>Minorities Shareholders' Equity</b>	<b>50,403</b>	<b>36,477</b>	<b>13,926</b>
Financial debt - non-current portion	435,440	290,781	144,659
Other non-current financial liabilities	17,419	180,132	(162,713)
Non-current financial liabilities - Leasing	111,400	110,467	933
Other non-current liabilities	179,336	132,536	46,800
<b>Non-current liabilities</b>	<b>743,595</b>	<b>713,915</b>	<b>29,679</b>
Short-term debt	105,273	310,837	(205,564)
Current financial liabilities - Leasing	24,425	22,559	1,866
Other financial liabilities	201,483	2,780	198,703
Client advance payments	694,214	645,631	48,583
Contractual Liabilities	295,379	360,324	(64,945)
Trade payables	2,610,366	2,295,802	314,564
Other current liabilities	513,542	511,376	2,165
<b>Current liabilities</b>	<b>4,444,682</b>	<b>4,149,309</b>	<b>295,373</b>
<b>Liabilities held for sale, net of eliminations</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholders' Equity and Liabilities</b>	<b>5,708,136</b>	<b>5,391,275</b>	<b>316,861</b>



<b>Maire Tecnimont Reclassified Condensed Consolidated Balance Sheet</b> <i>(in Euro thousands)</i>	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>Change 2023 - 2022</b>
Non-current assets	817,764	738,462	79,301
Adjusted net working capital	(254,890)	(160,986)	(93,904)
Employee provisions	(11,804)	(10,190)	(1,615)
<b>Net Capital Employed</b>	<b>551,069</b>	<b>567,287</b>	<b>(16,217)</b>
Group shareholders' equity	469,458	491,574	(22,117)
Minority interest capital and reserves	50,403	36,477	13,926
Adjusted net financial position (*)	(104,616)	(93,790)	(10,826)
Lease financial liabilities - IFRS 16	135,825	133,026	2,799
<b>Coverage</b>	<b>551,069</b>	<b>567,287</b>	<b>(16,217)</b>

(\*) 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 total of "Fixed assets" increased on the end of the previous year, following the acquisitions of the company Conser S.p.A for Euro 35.7 million and for Euro 5.6 million of MyRemono S.r.l. (for further details, reference should be made to the significant events in the period section), with the gain temporarily allocated at June 30, 2023 to "goodwill" ahead of the completion of the purchase price allocation process.

The additional increases in "Fixed assets" concern the withholding guarantees in relation to the Bourge 4 project, which on the basis of the contractual conditions and the advancement of the project may be released after 12 months. Simultaneously, increases were reported both for intangible assets (investments in new software and relative installations and the development of new technologies, particularly with regards to the Nextchem Holding Group's operations), and for property, plant and equipment for the completion of improvement works on owned and leased property.

Net working capital further improved in the first half of 2023, with a cash generation of approx. Euro 93.9 million, thanks to the operating activities on the main ongoing projects and advances from clients regarding the new order intake in 2023, and which therefore provided a further cash flow benefit.

Net capital employed therefore decreased by approx. Euro 16.2 million on December 31, 2022, thanks to working capital movements in the period which more than offset investments.

Group Shareholders' equity at June 30, 2023 amounts to Euro 469,458 thousand, a net decrease of Euro 22,117 thousand compared to December 31, 2022 (Euro 491,574 thousand).

Minority interest Shareholders' Equity at June 30, 2023 amounted to Euro 50,403 thousand, with a net increase of Euro 13,926 thousand compared to December 31, 2022 (Euro 36,477 thousand).

During the first half of 2023, following the completion of the industrial reorganization process of the Maire Tecnimont Group, which among other activities included the transfer to the subsidiary NextChem Holding S.p.A. of the 100% holding of the Dutch-registered subsidiary Stamicarbon B.V. and of 56.67% of the subsidiary NextChem S.p.A. by Maire Tecnimont and by Maire Investments S.p.A. (related party), the remaining portion of the share capital of NextChem (equal to 43.33%). As a result of the increase, the share capital of NextChem Holding is now held 78.37% by Maire Tecnimont and 21.63% by Maire Investments S.p.A., with the consequent recalculation of the minority share which increased by approx. Euro 11 million the minority interest shareholders' equity.



Total consolidated Shareholders' Equity, considering minority interests, at June 30, 2023 amounts to Euro 519,861 thousand, a decrease of Euro 8,190 thousand compared to December 31, 2022 (Euro 528,051 thousand).

The overall increase in consolidated Shareholders' Equity reflects the net income in the period of Euro 54 million and the increase in the Cash Flow Hedge reserve of the derivative instruments, which mainly relates to the temporary mark-to-market gains of the derivative instruments to hedge the currency risk of the revenues and costs from the projects and the risk of raw material cost movements, net of the relative tax effect for Euro 2.5 million. The changes are due to the currency market movements, principally as a result of interest rate movements, which in H1 2023 saw the Euro strengthen against the US Dollar.

The currency movements however negatively 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 for Euro 27.7 million.

Other reductions concerned the payment of the dividend approved by the Shareholders' Meeting for Euro 40,7 million and the purchase of treasury shares during the period to service Maire Tecnimont stock-based remuneration and incentive plans adopted by the Company.

The adjusted Net Financial Position at June 30, 2023 indicates net cash of Euro 104.6 million, increasing Euro 10.8 million on December 31, 2022.

Operating cash generation more than offsets dividends settled of Euro 40.7 million, disbursements related to the buyback program of Euro 2.2 million, and gross capital expenditures for the period totaling Euro 57.7 million. Gross investments include Euro 35.8 million related to the acquisition of Conser S.p.A. (Euro 19.2 million net of the liquidity acquired) and Euro 6.9 million related to the acquisition of CatC technology and the funding of MyRemono S.r.l. (Euro 5.8 million net of the liquidity acquired) to support the industrialization activities of this technological solution, in line with the strategy of expanding the portfolio of sustainable technologies undertaken by the Group. The "Digital Transformation" program aimed at integrating technology offerings with advanced digital solutions in line with the sustainable technology portfolio expansion strategy undertaken by the Group also continues.



The Net Financial Position is outlined in the following table:

NET FINANCIAL POSITION (in Euro thousands)	Note (*)	June 30, 2023	December 31, 2022	Change
Short-term debt	23.26	105,273	310,837	(205,564)
Current financial liabilities - Leasing	23.25	24,425	22,559	1,866
Other current financial liabilities	23.30	201,483	2,780	198,703
Financial instruments - Derivatives (Current)	23.29	18,518	43,381	(24,863)
Financial debt - non-current portion	23.19	435,440	290,781	144,659
Financial instruments - Derivatives (Non-current liabilities)	23.23	2,191	80	2,111
Other non-current financial liabilities	23.24	17,419	180,132	(162,713)
Non-current financial liabilities - Leasing	23.25	111,400	110,467	933
<b>Total debt</b>		<b>916,149</b>	<b>961,016</b>	<b>(44,868)</b>
Cash and cash equivalents	23.17	(725,720)	(762,463)	36,744
Temporary cash investments	23.15	(1,451)	(916)	(535)
Other current financial assets	23.15	(8,752)	(6,570)	(2,182)
Financial instruments - Derivatives (Current)	23.14	(10,291)	(13,082)	2,791
Financial instruments - Derivatives (Non-current)	23.6	(2,820)	(4,308)	1,489
Other non-current financial assets	23.7	(111,340)	(109,032)	(2,309)
<b>Total cash and cash equivalents</b>		<b>(860,374)</b>	<b>(896,371)</b>	<b>35,997</b>
Other financial liabilities of discontinued		0	0	0
Other financial assets of discontinued operations		0	0	0
<b>Net Financial Position</b>		<b>55,775</b>	<b>64,645</b>	<b>(8,870)</b>
"Project Financing - Non Recourse" fin. payables	23.19,	(6,998)	(7,520)	523
Other non-current assets - Expected repayments	23.8	(17,118)	(17,439)	321
Financial payables - Warrants	23.24	(451)	(451)	0
Finance lease payables IFRS 16	23.25	(135,825)	(133,026)	(2,799)
<b>Adjusted Net Financial Position</b>		<b>(104,616)</b>	<b>(93,790)</b>	<b>(10,826)</b>

(\*) 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 June 30, 2023 overall indicates a reduction in the gross debt, mainly due to the final settlement of approx. Euro 65 million of the nominal Euro 185 million medium/long-term loan by the subsidiary Tecnimont S.p.A., now fully settled, and in relation to the nominal Euro 365 million Maire Tecnimont loan, backed for 80% by SACE's Italy Guarantee, for approx. Euro 45.6 million, in addition to the repayment of revolving lines, overdrafts and other financial instruments for the management of short-term commercial cash flows and to support working capital lines for short-term needs for the working capital management of a number of projects used at December 31, 2022.

Simultaneously, the funds from the Euro Commercial Paper Program were utilized for a net amount of Euro 26.7 million, and the gross debt saw further increases as a result of the signing of new



loans, respectively for Euro 150 million and Euro 40 million, backed for 80% by the SACE S.p.A. Guarantee, in line with Legislative Decree No. 50 of May 17, 2022.

The net financial position at the end of June 2023 was impacted by the temporary changes to the mark-to-market of the derivatives, which at June 30, 2023 had a negative value of Euro 7.6 million and in the first half of 2023 increased by Euro 18.5 million, mainly with regards to the derivatives hedging exchange risk on order revenue and cost fluctuations, the risk of movements in the price of certain raw materials and movements in the Maire Tecnimont share price related to the personnel incentive plans.

Finally, the financial position saw a decrease in cash and cash equivalents, which at June 30, 2023 amounted to Euro 725,720 thousand, with an overall decrease on December 31, 2022 of Euro 36,744 thousand.

The main cash flow movements are reported below:

<b>Cash Flow Statement</b> <i>(in Euro thousands)</i>	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>Change 2023-2022</b>
<b>Cash and cash equivalents at beginning of the period (A)</b>	<b>762,463</b>	<b>677,100</b>	<b>85,363</b>
<b>Cash flow from operations (B)</b>	<b>110,193</b>	<b>225,825</b>	<b>(115,632)</b>
<b>Cash flow from investments (C)</b>	<b>(40,054)</b>	<b>(15,638)</b>	<b>(24,416)</b>
<b>Cash flow from financing (D)</b>	<b>(106,884)</b>	<b>(41,509)</b>	<b>(65,375)</b>
<b>Increase/(Decrease) in cash and cash equivalents (B+C+D)</b>	<b>(36,744)</b>	<b>168,680</b>	<b>(205,424)</b>
<b>Cash and cash equivalents at end of the period (A+B+C+D)</b>	<b>725,720</b>	<b>845,780</b>	<b>(120,060)</b>
<i>of which: Cash and cash equivalents of Discontinued Operations</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Cash and cash equivalents at end of period reported in financial statements</b>	<b>725,720</b>	<b>845,780</b>	<b>(120,060)</b>

Cash flows from operations saw a net cash generation of Euro 110,193 thousand for the period, increasing on Q1 2023, as a result of the net income for the period and changes in working capital. As already outlined, net working capital in fact further improved in 2023 thanks to the operating activities on the main projects and advances from clients regarding the new order intake, which therefore provided a further cash flow benefit.

Cash flows from investing activities however absorbed cash, mainly due to the acquisition of Conser S.p.A. and of MyRemono S.r.l., net of the cash and cash equivalents acquired. Additional disbursements are related to efforts to develop new technologies and intellectual property rights (patents and licenses), mainly by Nextchem Holding Group and residually to a number of improvements on owned and leased office buildings by certain Maire Group companies.

Financial management, similarly to investment management, absorbed cash totaling Euro 106,884 thousand. The main underlying reasons are outlined above.



## **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 23.8), and excluding both financial lease payables - IFRS 16 of Euro 135,825 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

The company's receivables/payables (including financial) and cost/revenue transactions with related parties at June 30, 2023 are presented in the tables below.

30/06/2023 (in Euro thousands)	Trade Receivables	Trade Payables	Financial Receivables	Financial Payables	Costs	Revenues
G.L.V. Capital S.p.A.	1	(120)	0	0	(440)	1
Maire Investments Group	35	(2)	0	0	(74)	13
Luigi Alfieri	0	(63)	0	0	(169)	0
<b>Total</b>	<b>36</b>	<b>(184)</b>	<b>0</b>	<b>0</b>	<b>(683)</b>	<b>13</b>

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 (Stamicarbon BV, 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:

30/06/2023 (in Euro thousands)	Trade Receivables	Trade Payables	Financial Receivables	Financial Payables	Costs	Revenues
Studio Geotecnico Italiano S.r.l.	0	(76)	0	0	(182)	0
Biolevano S.r.l.	6	0	0	0	0	6
SMC S.c.a.r.l	20	0	0	0	0	19
TCM KTR LLP	119	0	1,469	0	0	12
Exportadora de Ingenieria y	0	0	0	(67)	0	0
Volgafert LLC	9,775	0	0	0	0	5,796
JV TSJ Limited	0	(117)	0	0	0	0
Hidrogeno Cadereyta - S.A.P.I. de	178	0	1,477	0	0	77
Nextchem Holding S.p.A.	96	0	10,300	0	0	96
Nextchem S.p.A.	23,780	(1,849)	13,956	0	(1,601)	13,740
Stamicarbon B.V.	1,363	(10,695)	0	(25,333)	(1,729)	946
MyRechemical S.r.l.	1,705	0	0	(592)	(28)	653
MyReplast Industries S.r.l	91	0	0	0	0	10
Conser S.p.A.	0	0	0	(14,500)	(67)	0
Met T&S Management	10	0	0	0	0	2
GCB General trading	797	0	13	0	0	0
Gulf Compound&Blending Ind.	101	0	972	0	0	10
Maire Tecnimont Foundation	385	0	0	0	(20)	97
<b>Total</b>	<b>38,426</b>	<b>(12,736)</b>	<b>28,187</b>	<b>(40,492)</b>	<b>(3,627)</b>	<b>21,463</b>

On March 1, 2023, the Board of Directors of Maire Tecnimont, as part of the Industrial reorganization project, approved the transfer to the newly-incorporated NextChem Holding S.p.A. of the 100% holding in the Dutch-registered subsidiary Stamicarbon B.V. and of the 56.67% holding



in the subsidiary NextChem S.p.A.. Maire Investments S.p.A. (related party), owner of the remainder of the share capital of Nextchem totaling 43.33%, transferred its investment in Nextchem Holding through the subsequent capital increase approved by NextChem Holding.

The transfer qualified as a significant related party transaction pursuant to Consob Regulation No. 17221/2010 and the current "Related Party Transactions Policy". 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.

The Maire Tecnimont Foundation is a non-profit organization founded 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 June 30, 2023, the Group had paid contributions amounting to Euro 20 thousand and rendered various services to the Foundation for a total value of approx. Euro 97 thousand.

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

## 6. Human Resources, Training & Incentives

### **HUMAN RESOURCES**

The expansion of the workforce continued in the first half of 2023, which numbered 7,016 at June 30, 2023, and therefore increasing on the previous year by 565 (+9%), following 1,106 hires, which extensively offset the 540 departures in the period.

The geographical areas most affected by this increase are:

- India, Mongolia, South East and rest of Asia, Australia (+273), with the hiring of more than 400 personnel at the Indian subsidiary TCMPL alone, confirming the objectives of the recent opening of the new operating offices in Mumbai (Mumbai Airoli) in order to support the forecast personnel demands associated with the EPC projects in the Middle East;
- Italy & Rest of Europe (+171), of which 160 in Italy, mainly due to hiring at the Italian subsidiaries Tecnimont (+108) and KT Kinetics Technology (+43).

We in addition report in the period, with regards to the newly-established Sustainable Technology Solutions (STS) Business Unit: (i) the completion of the acquisition by the parent company, through the subsidiary NextChem Holding, of an 83.5% holding in Conser S.p.A., a proprietary technology and process engineering enterprise based in Rome which, at the date of this report, employs 21 and (ii) the acquisition, by the subsidiary NextChem, of 51% of MyRemono S.r.l., a company into which Biorenova S.p.A. transferred its patents, assets, including a pilot plant, in addition to contracts related to CatC, an innovative catalytic plastic depolymerization technology.

The increase in the Rest of Europe mainly related to the Tecnimont Branch in Portugal (+18), for the ALBA project with the client Repsol, and to the Belgian branch (+16), in support of the projects with the clients Covestro and Borealis in the Antwerp area. We in addition highlight the expansion at the Dutch subsidiary Stamicarbon (+11).



- The Middle East saw an approx. 72% increase on the end of the previous year (+163 personnel), mainly relating to the Borouge 4 project and for initial construction activities, in addition to the opening of the Tecnimont Branch in Qatar, in support of the petrochemical project with the Joint Venture QatarEnergy-Chevron Phillips.
- North Africa and Sub-Saharan Africa, with new hires to support the revamping project of the Port Harcourt refinery in Nigeria.
- America, with the 11% workforce expansion related to the hiring of personnel for the renewable energy projects in Chile.

On the other hand, the Central Asia, Caspian & Turkey Region workforce contracted by 15% on the end of 2022, due to the gradual conclusion of activities on the Russian Federation projects.

At June 30, 2023, 72% of the total MAIRE Group workforce were university graduates. There were 3,725 engineers at that date – of which 668 hired in the period, and more than 50% of which in India, accounting for 74% of total university graduates. This percentage confirms the company's investment in consolidating the Group's technical expertise.

The average age was approx. 43 and 26% of the most new hires (approx. 290 personnel in the period) were under 30. At 35 years old, this reaches 45% for a total of approx. 500 personnel, reflecting the policy to develop younger talent.

The commitment to strengthen the female component of the workforce is confirmed, with the application of gender equality criteria in the hiring process. In terms of gender composition, females account for approx. 20% of the Group workforce, of which approx. 40% technical subject graduates (including engineering).

The workforce at 30/06/2023 of the Maire Group, with movements (by qualification and region) on 31/12/2022 (and the average workforce for the period), is outlined in the following tables. The table below outlines the workforce by areas of effective engagement at 30/06/2023 and 31/12/2022, with the relative movements.

Change in workforce by category (31/12/2022 - 30/06/2023):

Category	Workforce 31/12/2022	Hires	Departures	Reclassification employee category (*)	Workforce 30/06/2023	Cge. Workforce 30/06/2023 vs. 31/12/2022
Executives	658	19	(22)	60	715	57
Managers	2,513	293	(148)	15	2,673	160
White-collar	3,064	769	(322)	(75)	3,436	372
Blue-collar	216	25	(48)	(1)	192	(24)
<b>Total</b>	<b>6,451</b>	<b>1,106</b>	<b>(540)</b>	<b>(1)</b>	<b>7,016</b>	<b>565</b>
<b>Average</b>	<b>6,457</b>				<b>6,779</b>	<b>322</b>

(\*) 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 (31/12/2022 – 30/06/2023):

Region	Workforce 31/12/2022	Hires	Departures	Reclassification employee category (*)	Workforce 30/06/2023	Cge. Workforce 30/06/2023 vs. 31/12/2022
Italy & Rest of Europe	3,403	423	(245)	(7)	3,574	171
Central Asia, Caspian and Turkey	410	33	(92)	(2)	349	(61)
India, Mongolia, South East and rest of Asia, Australia	2,099	424	(157)	6	2,372	273
The Americas	46	11	(6)	0	51	5
Middle East	227	174	(14)	3	390	163
North Africa and Sub- Saharan Africa	266	41	(26)	(1)	280	14
<b>Total</b>	<b>6,451</b>	<b>1,106</b>	<b>(540)</b>	<b>(1)</b>	<b>7,016</b>	<b>565</b>

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

## Changes in workforce by operational region (31/12/2022 – 30/06/2023):

Region	Workforce 31/12/2022	Workforce 30/06/2023	Cge. Workforce 30/06/2023 vs. 31/12/2022
Italy & Rest of Europe	3,154	3,329	175
Central Asia, Caspian and Turkey	567	488	(79)
India, Mongolia, South East and rest of Asia, Australia	2,006	2,241	235
The Americas	56	60	4
Middle East	290	521	231
North Africa and Sub-Saharan Africa	378	377	(1)
<b>Total</b>	<b>6,451</b>	<b>7,016</b>	<b>565</b>



## Average headcount:

Maire Tecnimont Group	Average headcount H1 2023	Average headcount H1 2022	Change
Maire Tecnimont S.p.A.	208	174	34
Neosia Renewables SpA (1)	2	8	(6)
Met Development S.p.A.	4	6	(2)
MET T&S Limited	211	220	(9)
Stamicarbon (*)	221	213	8
Stamicarbon USA Inc.	1	1	0
KT (*)	678	691	(13)
KT Arabia LLC	7	1	6
KT Star	2	2	0
Nextchem S.p.A.	87	67	20
MyReplast Industries S.r.l.	40	37	3
MyRechemical S.r.l.	19	12	7
Conser S.p.A. (2)	21	0	21
MyRemono S.r.l. (3)	1	0	1
KT – Kinetics Technology Angola (SU) LDA.	31	64	(33)
Tecnimont S.p.A. (*)	2,161	1,936	225
Tecnimont HQC BHD	29	34	(5)
MT Russia OOO	249	476	(227)
MST S.p.a.	161	195	(34)
Tecnimont Philippines, Inc.	0	1	(1)
TCM-KT JV Azerbaijan LLC	89	97	(8)
Tecnimont Arabia	95	45	50
Tecnimont Private Limited	2,189	1,995	194
Tecnimont E&I (M) SDN BHD	2	2	0
Ingenieria Y Construccion Tecnimont Chile Y Cia. LTDA	19	3	16
Tecnimont Planung und Industrieanlagenbau	47	48	(1)
Tecnimont Usa Inc.	21	16	5
Tecnimont Mexico SA de CV	4	4	0
Tecnimont Nigeria Ltd.	178	98	80
TWS (4)	0	1	(1)
Tecnimont do Brasil-Contrução de projetos LTDA	4	4	0
<b>Total</b>	<b>6,779</b>	<b>6,450</b>	<b>329</b>

(\*) Figure also includes Branches and representative offices.

(1) The merger by incorporation of Neosia Renewables S.p.A. into Tecnimont S.p.A. became effective on February 20, 2023;

(2) Acquired in January 2023;

(3) 51% acquired in April 2023;

(4) The company was cancelled from the Lugano Companies Registration office on March 20, 2023 following the completion of its liquidation.



Maire Tecnimont Group	Average headcount H1 2023	Average headcount H1 2022	Change
Engineering	3,190	3,011	179
Operations	1,348	1,364	(16)
Remainder Technical Area	1,038	945	93
Commercial Area	197	192	5
Staff Area	1,006	938	68
<b>Total by professional category</b>	<b>6,779</b>	<b>6,450</b>	<b>329</b>

Maire Tecnimont Group	Average headcount H1 2023	Average headcount H1 2022	Change
Italy & Rest of Europe	3,510	3,309	201
Central Asia, Caspian and Turkey	377	690	(313)
India, Mongolia, South East and rest of Asia, Australia	2,257	2,068	189
The Americas	51	30	21
Middle East	306	108	198
North Africa and Sub-Saharan Africa	279	245	34
<b>Total by region</b>	<b>6,779</b>	<b>6,450</b>	<b>329</b>
Of which:			
Italian open-ended	2,846	2,681	165
Italian fixed term	28	27	1
<b>Total</b>	<b>2,873</b>	<b>2,708</b>	<b>165</b>

## **PERSONNEL TRAINING AND DEVELOPMENT**

In order to guarantee the complete alignment of emerging training demands and the strategy set out under the new industrial plan, the Function reviewed and updated the institutional training catalogue - in terms of its means of use and its content - while launching the rebranding process of its Academy, promoting its function as a vehicle to establish the new corporate identity.

The Company delivered 4,550 hours of project management training, over 11,390 hours of technical and specialist training, and 6,956 hours of training dedicated to the enhancing soft skills, particularly effective communication and management skills.

In agreement with the Supervisory Bodies, training activities on Legislative Decree No. 231/2001, the Code of Ethics, and the Business Integrity Policy were also provided, including through the provision of a new bitesize e-learning module published within MAIRE Academy.

In collaboration with Organization, ICT & System Quality, the Company also launched a training campaign on cyber security for all Group employees to improve their awareness of potential threats arising from the use of information technology and promote the consolidation of increasingly aware and secure behaviors. The program follows a continuous learning approach, regularly updating its content on a monthly basis. As of June 30, participants had benefited from over 8,500 hours of training.



To promote a culture of health, safety, and well-being for Home Office staff, the Company provided 17,006 hours of information and training for a total of 3,447 participants. This marked a significant increase on the first half of the previous year, reaffirming the Company's ongoing commitment to training and awareness initiatives in the areas of HSE and Social Accountability. The Company also introduced specific initiatives for elevated risks (including for workers seconded to construction sites). These initiatives accounted for approximately 43% of the total training provided.

The Company continued activities as part of the “MAIRE Flourishing Program” to consolidate its Human Capital Development strategy. This program is specifically designed to support the new generation of managers in effectively handling change and embracing the Company's long-term energy and digital transition strategy.

The Company also continued its Challenging Mentoring Program for around 100 individuals, comprising both mentors and mentees. These participants engaged in an innovative skills and professional development course, where they interacted and were encouraged to address the Group's key challenges in a collaborative manner.

As part of the Flourishing Program, a new training course titled “Close Conversations” was introduced, catering to approximately 90 employees. The course's objective is to assist individuals in consolidating the essential skills and mindsets required to achieve the Company's strategic growth objectives, including with a view to proposing new paradigms and creating value.

More than 110 personal development plans were also prepared, with the support of managers, to accompany the professional growth of “flourishers”. Activities were also organized for the Indian subsidiary, Tecnimont Pvt. Ltd as part of the Flourishing Program. These activities were based on the results of the organizational culture analysis conducted the previous year. As was planned for employees in Italy, development plans were formulated specifically for “flourishers”.

The Company launched the “MAIRE Digital Citizen” project as part of the Grandino-Cavallaro Scholarship initiatives. The primary objective was to empower 40 employees by providing them with the tools to explore and experiment with digital technology opportunities. Through a dedicated innovative training course, they were trained as digital culture ambassadors, capable of generating value for the organization. As a result of this initiative, employees will be able to develop tangible outputs that address current priority needs.

In pursuit of an ever-evolving training approach that emphasizes people-driven methods like self-learning and continuous development, the Company initiated a pilot project to utilize content from the LinkedIn Learning platform. This project involved approximately 200 individuals from various Group entities. Participants were granted access to an extensive library of content covering technical, business, soft skills, and IT tools, benefiting from 470 courses, accumulating a total of 1,004 hours of training. Given the pilot project's positive results, both in terms of the high levels of enjoyment and participation, the tool will be made available to all Group employees.

In accordance with the Corporate Sustainability Strategy objectives and the Company's commitment to strengthening and promoting Diversity, Equity, and Inclusion and fostering a unified and shared culture, the Group launched the second phase of its dedicated training campaign, extending its reach to benefit foreign companies.

The Company also continued the training activities promoted as part of its partnership established with VALORE D, an association of companies in Italy committed to creating gender balance and an inclusive culture in organizations.

The first phase of the major technical-specialist training campaign associated with the KT EPC Fast Forward project conducted in 2022 was completed, with a focus on core processes. This phase involved approximately 190 company employees from various business departments.





The annual performance management process, known as the Employee Performance Commitment, continued across the majority of Group entities. This process involved both home office employees and those deployed at various sites. The evaluation campaign for 2022 involved more than 5,000 individuals across more than 15 countries.

During H1, the Company reaffirmed its commitment to establishing a concrete and lasting partnership with universities and high schools. It plays a vital role as a facilitator, bridging the gap between knowledge acquired through academia and real-world work experiences. Against this backdrop, as part of its employer branding initiatives and in line with the objective of strengthening and expanding partnerships with the academic community, the Company actively participated in Career Days at the following universities in 2023: i) Polytechnic University of Milan, ii) LUISS Guido Carli University, and iii) Rome Biomedical Campus University. The Company also engaged in additional partnerships with the Polytechnic University of Milan and the Catholic University of Milan, in addition to new partnerships with a number of Italian high schools, colleges and, the universities of Pavia, L'Aquila and Cagliari, regarding study courses, Bachelor's and Master's degrees, and Business Schools. The Company also confirmed its long-lasting partnerships with several international universities, such as the National Institute of Technology Karnataka and the Indian Institute of Technology Bombay.

We also note the start of activities relating to the participation of the NextChem Subsidiary in the "ROAD - Rome Advanced District" project. This initiative involves a consortium of companies hoping to develop the first technological innovation district dedicated to new energy supply chains within the Gazometro area of Rome Ostiense. The project will be open to applied industrial research partnerships, in collaboration with the world of research and academia. In the area of human resources, collaboration took the form of participation in several "JOBS" working groups – which seek to define new professions associated with the energy and digital transition – and "MINDSET" working groups, which have the goal of identifying and developing an effective mindset to support transformation processes.

Finally, participation continued in the Diversity & Inclusion Observatory, which comprises a core group of major Italian companies affiliated with the United Nations Global Compact. The primary objective of this initiative is to gather insights and perspectives related to Diversity & Inclusion to promote an inclusive workplace culture, create shared value, and foster women's empowerment within the Company, embracing the opportunities presented by gender equality in alignment with the Company's Sustainability Strategy.

As a sponsor of the Accelerator Target Gender Equality program, promoted by Global Compact Italy, the Company actively takes part in these efforts. On July 5, it successfully hosted the welcome meeting at its Milan headquarters.

## **COMPENSATION AND INCENTIVES**

In the first few months of 2023, compensation activities focused on defining the Remuneration Policy for 2023, as described in the 2023 Remuneration Policy and Report, drawn up pursuant to Article 123-ter of the CFA and approved by the Board of Directors on March 1. In continuity with previous years, this policy is inspired by the Group's Code of Ethics and the dictates of its Corporate Governance Code. It intends to contribute to the pursuit of the Group's strategic business objectives and to attract and retain talent with the professional qualities required to manage and work successfully within the organization.

The Shareholders' Meeting held on April 19 approved the contents of this Policy and also resolved to adopt the 2023-2025 Long-Term Incentive Plan (2023-2025 LTI Plan) as part of the broader three-year program approved by the Board of Directors on February 25, 2022. This Plan is designed for the Company's Chief Executive Officer, General Manager, and select Senior Executives. Its primary goal is to enhance the alignment of management's interests with the creation of sustainable success for the Group. It also ensures long-term engagement and retention of beneficiaries while maintaining competitive remuneration levels in the market.



In addition, on March 1, 2023, the Board of Directors approved the 2023-2025 General Share Plan. Building on positive past initiatives and confirming the Group's willingness to adopt incentive mechanisms for all employees, this plan seeks to foster a stronger sense of belonging among beneficiaries to the MAIRE Group. By aligning their interests with the shared objective of sustainable and long-term value creation, it intends to extend the opportunity to participate in the Company's share capital to the entire corporate population. As a new initiative to consolidate and expand the Group's focus on and awareness of topics associated with its Sustainability Strategy, a new objective concerning Environmental, Social, and Governance (ESG) topics was introduced alongside the existing economic-financial goals from previous plans. On the same date, the Board also confirmed the start of the First Cycle (2023) of the aforementioned Plan.

Work also began on setting and assigning targets in accordance with the MBO plan for Senior Executives, approved by the Board on February 25, 2022 for the 2022-2024 three-year period. Targets were also set for other key business figures per the current group Incentive Standard. For the latter, in addition to an increased focus on non-financial indicators closely tied to ESG topics, the Group confirmed the adoption of a rolling approach to project files in 2023, with the allocation of an objective for H2 to guide the actions of key staff when managing emerging priorities.

Data for the final tally of the assigned targets for 2022 were also collected and verified. This process will lead to the awarding of bonuses, if applicable, by July 2023. As part of the incentive and engagement policy, in line with current trade union agreements, annual bonuses and profit sharing figures for 2022 were 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 (2022) performance targets included in the ordinary 2020-2022 General Share Plan, the Board of Directors met on March 1 to approve the allocation of shares to more than 4,000 beneficiaries.

Lastly, concerning the evaluation of organizational positions and the review of compensation benchmarks, which commenced at the end of the previous financial year to analyze the specific attrition situation within the relevant sector and identify retention measures for key professionals, we note that the activities concerning the Indian subsidiary were completed. Furthermore, the activities pertaining to the Italian market are nearing completion.

## 7. ICT, Facility and Energy Management

During the period under review, the ICT department carried out planned activities, monitored offices and operational sites, and provided business support, leveraging the available technology platform, ongoing investment in digital culture and skills, and maintaining adequate corporate cyber security standards, including through the integrated defense and response approach adopted by the Group's Cyber Fusion Center.

Improvement actions were also taken, such as:

- (i) the adoption of XDR (Extended Detection and Response) and SOAR (Security Orchestration, Automation and Response) solutions to detect and respond even more quickly to potential cyber attacks and internal and external threats;
- (ii) the extensive application of Zero Trust principles;
- (iii) the enhanced adoption of the Network Detection and Response (NDR) solution to identify and block evasive network threats;
- (iv) the activation of the Web Application Firewall service to prevent and block web-borne attacks;



- (v) the use of the Bitsight platform to continuously monitor the cyber security program;
- (vi) the use of the Picus-based Breach and Attack Simulation (BAS) solution to test the effectiveness of the prevention and detection tools adopted;
- (vii) the review of the Cyber Security Awareness program for employees.

In terms of infrastructure, we note the enhanced use of the Cloud Azure platform and selected providers. Additionally, the adoption of Microsoft's M365 suite as the baseline of IT resources allowed for seamless access to cloud-based collaboration and data tools, facilitating remote operations. Wi-Fi 6-based technology was also adopted in Italy to perfect wireless connectivity, ensuring the smooth management of data traffic and a fast, high-performance connection. Finally, the process of consolidating the Company's physical and virtual data centers is still in progress, including with a view to Business Continuity and Disaster Recovery.

Thanks to the technology platform in use, the installation of new IT infrastructure in the operating branches in Abu Dhabi (UAE), Doha (Qatar), and Zils (Portugal) was completed efficiently. The setup includes user workstations, videoconferencing equipment, and multimedia, networking, and connectivity devices. Facilities and site IT infrastructure related to Sines (Alba Repsol), Ruwais (Borouge4), and finally PHRC Nigeria were prepared and delivered.

Regarding activities concerning Subsidiaries, we note:

- (i) the start of a process to integrate Conser S.p.A.'s information systems;
- (ii) the roll-out of ICT support to the Hy2Rome/Rome Project, which involves several Group companies;
- (iii) the extension of the Digital Project Master to Nextchem, a digital and "paperless" process to initiate and manage the project master data lifecycle.

With regard to corporate applications, the adoption of the Planning & Control systems roadmap is currently underway to support the Control Model Review process. This involves adopting a BW4-based corporate data hub as a reporting and reference tool for planning and monitoring purposes.

Additionally, a data hub was introduced in the engineering department, with the goal of centralizing technical information in line with the CFIHOS standard.

Finally, operational dashboards linked to business intelligence were introduced to support various activities, including the management of project contractual changes and tracking the cable-related sending of packaging lists to/from the construction site.

Key cross-departmental process improvement initiatives included:

- (i) the launch of the People Analytics module;
- (ii) the creation of an app in IoT4Met, integrated with SAP Time, for MST employees;
- (iii) the adoption of SAP Liquidity calculation for the cash flow statement;
- (iv) the launch of a dedicated feature for the Inspection Department to manage the SubVendor Order List with collaboration from suppliers.

With reference to the IoT4Met proprietary platform, several new apps were launched to respond to specific operational and project requirements. For instance, the QCF Inspection app was introduced for the Borouge project, and the Shift Planning app was developed to facilitate activity scheduling for workers and monitor their presence using GPS-based check-in/out. Lastly, as further evidence of the importance of safeguarding worker health and safety, the IoT Tracking SOS Safety Procedure was developed. This safety protocol generates an audible alarm on badges and monitors the gathering of personnel at designated rendezvous points in case of an emergency.



The reorganization of FACILITY AND GENERAL SERVICES activities, completed in H1, seeks to achieve the objective of directly and collaboratively managing supplier relationships in Italy, enabling better oversight of their compliance with legal obligations. This approach also intends to make economic savings while directing actions and initiatives to reduce CO<sub>2</sub> emissions, in line with the Group's commitments to its Sustainability Strategy. In this regard, we also note the updated management of the company fleet using an open model. Vehicles are categorized based on their level of CO<sub>2</sub> emissions to facilitate the progressive transition to hybrid, plug-in, and electric models.

Furthermore, with regard to initiatives related to the Corporate Sustainability Strategy forecasts, we note the following:

- (i) The recycling and remarketing of IT assets upon expiration of their operating lease and the acquisition of the relevant green certifications;
- (ii) The monitoring of emissions produced by the MAIRE vehicle fleet, starting with 2023 registrations;
- (iii) The definition of a method for calculating CO<sub>2</sub> emissions attributable to business travel, with the intention of analyzing and defining potential reduction initiatives with major airlines;
- (iv) Analysis to account for emissions related to the Canteen Service in order to plan reduction strategies in collaboration with partners;
- (v) The start-up of a project with social and environmental reach in collaboration with Bollate-Milan Prison. The project seeks to regenerate or repurpose decommissioned IT assets into WEEE, exclusively employing staff from the prison.

The Group confirmed its effective collaborative approach to ENERGY MANAGEMENT, combining facility management with digital skills and employing a management and organization system for internal processes at office locations, following the principles of ISO 50001. Examples include the establishment of an energy purchasing policy, which involves continuous monitoring of energy markets through the EEX (Energy Portfolio Management) platform. Additionally, a partnership was formed with the Microsoft platform for facilitating agreements between producers and consumers of green energy via PPA (Speena.it). Lastly, the Company engaged in strategic participation in three PoliMi working groups (Energy Efficiency, Digital & Decarb, Zero Carbon Technology Pathways) to define an Energy Strategy Group.

## 8. Organization & Quality

### **ORGANIZATION**

During the six-month period under review, the Group further accelerated its strategic position as a promoter and player in the energy transition, leveraging its engineering expertise, sustainable technologies, and integrated Engineering & Construction approach. The start of the new industrial cycle confirmed the Group's commitment to continuous evolution and transformation as a strategic response to the challenges posed by energy transition and the global market.

In this regard, the department offered expert support to initiatives and activities focused on organizational upgrades and process transformations. These efforts sought to facilitate the adoption of the new organizational structure, aligning it with the new business vision and consisting of two new Business Units. The first unit, Sustainable Technology Solution (STS) focuses on technology solutions, services, licensing, and providing proprietary equipment. The second unit, Integrated Engineering and Construction Solutions (IECS), focuses on developing executive expertise and creating synergies across projects. It also deals with FEED and executive projects related to energy transition and traditional markets.

As for the Parent Company, we note the following:



- the establishment of Transformation Enabling & System Quality (within Group Organization, ICT & System Quality), which supports departments in continuous improvement initiatives and transformation projects, with a view to achieving Group objectives;
- the formalization of the roles of Chief Information Officer and Chief Information Security Officer, further strengthening corporate cyber security and ensuring an increasingly adequate and timely response to cyber threats;
- the establishment of Group Risk and Insurance Management (within Group Risk Management, Special Initiatives, and Regions Coordination), which is composed as follows: Group Enterprise Risk Management, Group Project Risk Management, and Group Insurance Management, which is responsible for managing and monitoring enterprise and project-level risks, supporting Group companies with insurance and risk issues, analyzing the insurance needs of projects, and negotiating and ensuring the proper management of related insurance coverage
- the ongoing regional development process, with the formalization of the appointment of a new North Africa Region Vice President;
- the appointment of a new Head of Investor Relations and the formalization of the new role of Office of the CEO;
- updates to the four areas of responsibility covered by Group Institutional Relations, Communication & Sustainability, which oversee activities in the areas of i) Marketing & Communication, ii) Institutional and International Relations & Clients Assistance, iii) Media Relations, and iv) Sustainability & Corporate Advocacy;
- updates to Group Finance's areas of responsibility, which involve overseeing activities in i) Derivatives, Capital Markets & Corporate Loans, ii) Financial Planning & Treasury, iii) Financial Tools & Procedures, and iv) Trade & Export Finance and Guarantees;
- the strengthening of category management by enhancing the coordination of procurement activities;
- the appointment of a new Group HSE&SA and Project Quality Vice President, who is also responsible for HSE&SA and Project Quality for the Tecnimont and KT Subsidiaries.

With regard to the Group Subsidiaries, we note the following:

Tecnimont:

- the updating of the organizational structure following the merger by incorporation of Neosia Renewables S.p.A. and MET Gas Processing Technologies S.p.A., with the formal establishment of the Renewables Department, which is responsible for operational and commercial project management within the renewable energy sector;
- the organizational restructuring of Procurement – which reports to the new Procurement Vice President – as follows: i) Company & Projects Services, ii) Project Procurement Management, iii) Supply Market Management, and iv) Expediting & Inspection and v) Logistics;
- the updating of the Commissioning organizational structure and the creation of the P&ID Management Group within Process, Utilities, DHSE & Commissioning. The Group oversees the development of engineering activities in relation to Piping & Instrumentation Diagrams (P&ID) for company projects;
- the continuation of the Company's digitalization strategy, with IT/OT integration and establishment of Digital and System Design Integration within Electrical & Instrumentation.

KT Kinetics Technology:

- the specialization of legal and corporate affairs expertise, with the establishment of Corporate Affairs & Compliance and the renaming of the Legal Affairs & Contracts Department (formerly Legal, Contracts & Corporate Affairs), both of which report directly to the Chief Executive Officer;





- the appointment of a new Project Control Vice President and the organizational restructuring of the related management team, in line with other Group companies;
- the establishment of Services Projects within Operations and the winding down of Integrated Projects;
- the appointment of a new Procurement Vice President.

**MST:**

The appointment of a new Managing Director and the establishment of the Subsidiary SE.MA. Global Facilities.

**MET Development:**

The appointment of a new Managing Director and the overhaul of the organizational structure.

With reference to the NextChem Holding Group, to which the new STS Business Unit belongs, we note:

- the acquisition of Conser S.p.A. and MyRemono S.r.l..
- the appointment of a new Managing Director at NextChem, in addition to a Sales and Operations Vice President, and the winding down of Strategy and Business Innovation. In addition, in line with the related technology mission, the Business Development model was revised, with particular emphasis on the licensing model and the allocation of Bio-Based Solutions, Circular Economy, and Hydrogen, which report directly to the Managing Director. A new Head of Procurement was also appointed.
- general overhaul of the organizational structure of MyReplast Industries, a NextChem Subsidiary.

We also note ongoing activities related to the multidisciplinary “Horizon” project, which involves the adoption of a new control model, including related tools based on SAP BPC. To support this initiative, communication and change management initiatives were launched for the entire population. Furthermore, new workload features were introduced, and relevant training was provided to key users from the Group companies involved.

Finally, the Group dedicates ample attention to its Diversity, Equity & Inclusion strategy and the development of unique professional skills, including in terms of applying the equity principle – with particular emphasis on gender equality – and changes to the composition of the Board of Directors of 61% of MAIRE's Subsidiaries in H1. In fact, after the Board of Directors' term ended, and with the approval of the financial statements at December 31, 2022, 61% of the subsidiaries made changes to their respective Board of Directors. This restructuring involved the appointment of 15 new professionals, each bringing diverse and fresh skillsets. Notably, 53% of these new appointments were women (18 positions).

## **TRANSFORMATION ENABLING & SYSTEM QUALITY**

Changes to the corporate strategy rendered the department's expertise in supporting portfolio management activities for transformation initiatives and the evolution of work processes (including digital transition) even more crucial.

An important highlight here is the successful completion of the “Digital Advantage” program during the first half of the year. The program involved the development of approximately 90 operational solutions to support various processes, with active participation from the Business and ICT departments, which took on responsibility for managing future digital initiatives.

Additionally, System Quality and Digital Portfolio Management and Business Services expertise were strategically integrated into the Transformation Enabling & System Quality department. This move sought to achieve two main objectives: i) supporting the evolution of the business through a collaborative approach, involving PMO-coordination and continuous improvement of work process



management methods, and ii) ensuring the attainment and maintenance of relevant system certifications, along with updating and maintaining the Group's document system.

The Department also participated in a program to analyze and determine the necessary resources for the successful execution of the new industrial cycle. It contributed to an initiative to open a new project execution center in Mumbai-Airoli and conducted analyses related to the required resource mix in STS. Additionally, in collaboration with Project Control and Planning & Budgeting, the department helped analyze and define the overall production capacity required.

We also note the successful outcome of the surveillance audit conducted by the third-party DNV. As a result, the Group maintained its ISO 9001:2015 and ISO 29001:2020 certifications, with the scope extended to include the Dutch Subsidiary Stamicarbon B.V. As of the date of this Report, the following Italian and foreign companies within the Group are covered by the certification scope: MAIRE, Tecnimont, Tecnimont Private Limited, Tecnimont Planung und Industrieanlagenbau GmbH, KT Kinetics Technology, NextChem, and Stamicarbon.

The second three-year cycle of ISO/IEC 27001 certification was also initiated – confirming the importance placed on safeguarding information security – by extending its scope to NextChem and Stamicarbon subsidiaries. To further bolster the effectiveness of the information security management system, the Operating Instructions for cyber security incident management (WIG-316) and the control of access (by outsiders) to Group information systems (WIG-310) were issued and the Group Standard on how to manage IT tools (STDGR-301) was updated.

Finally, the current SOA Certifications (Italy) were confirmed.

As part of the activities to revise and update the document system, and to define shared operational manuals and guidelines at Group level, we note the circulation of Operating Instructions prepared in accordance with the Tax Control Framework. Together with the Group Operating Instructions, this new document seeks to define guidelines i) to identify and monitor additional costs due to the increase in raw material prices (WIG-707) and ii) contractually manage critical purchase orders (WIG-506), reflecting the importance of the Group's goal of pursuing its business objectives.

Finally, the Group Procedure (PRG-803 - Lesson Learned Management) – which seeks to share and capitalize on corporate knowledge and experience – was revised.

### **GROUP PROCUREMENT, CATEGORY MANAGEMENT & SUPPLY EXCELLENCE**

In the six-month period under review, the Department worked to create a procurement system with an adequate and resilient supply chain with respect to the needs of ongoing operational projects, potential acquisitions, and market developments. The goal was to ensure the availability of quantitatively and qualitatively adequate suppliers, including with respect to sustainability, in addition to the proper management of contracts, logistics, and post-order activities. Expert support was provided to facilitate the optimization of business performance throughout the entire EPC cycle in terms of supply chain efficiency and the consolidation of a diversified, collaborative, and well-coordinated Group approach. The goal was to respond to the specific procurement requirements of projects, accommodate ongoing geographical diversification, and define a new strategic approach to cope with the expected growth in activity volumes. Moreover, this approach was designed to handle the complexities of the current geopolitical and economic landscape in general.

Given the high backlog of projects in the Middle East Region and the need to meet clients' specific In-Country value and local content requirements, the on-site presence of procurement staff was further reinforced. This was achieved through local staffing initiatives and the recruitment of qualified personnel. Additionally, operational staff were allocated to the region to rebalance workloads in line with the procurement needs of goods and services for projects.





Further standardization and optimization initiatives were launched for materials and services in the area of Category Management, confirming the objectives for Group processes. As part of the Group's ongoing digital transformation journey, the process of adopting the related module is underway. This module fosters interdepartmental collaboration and enables (i) predictive analyses on procurement based on supply families and project types, generating category plans and initiatives for countries/regions, and (ii) the exploration of inter-project and inter-company collaborations and experiences to achieve economic benefits and mitigate risks. In line with previous years, the fruitful cross-departmental collaboration between engineering and the supply chain – which will soon be extended to the energy transition business – also continued in the Category Management team.

At the end of H1, the results and related KPIs for the “Procurement Excellence” project, dedicated to procurement capital items (involving the Borouge 4 project team) were summarized and disclosed, defining an operational model that is expected to be extended to other projects in the executive phase, given the positive results obtained. The project is expected to involve five international procurement centers.

With reference to the Group's Sustainability Strategy, its supplier selection and management processes are particularly relevant, considering their technical, financial, and ethical reliability and compliance with ESG and Occupational Health and Safety principles. Several scouting initiatives were also launched to support local markets, in line with corporate strategic guidelines and to meet the “local content” and ICV requirements set by clients. Lastly, we note the finalization of the Proof of Concept dedicated to measuring CO<sub>2</sub> emissions from production facilities and mapping emission reduction initiatives.

From an organizational perspective, we highlight the further strengthening of the corporate post-order and establishment of the “Should Cost Analysis” department to analyze the cost of technical project materials in support of project procurement, the purchasing department, and Category Management for the Group. This department prepared and adopted metrics and measurement tools, which it periodically summarizes and distributes within the Group. The objective was to evaluate the Company's performance in relation to material procurement cycles and measure the economic benefits brought by the aforementioned cost analyses used during negotiation phases with suppliers.

Additionally, expert support was extended to (i) the Proposal and Cost Estimate phases of commercial initiatives and new projects, involving the digitization of the relative Project Vendor Lists, and (ii) Group Contract & Subcontract Management in devising supplier strategies and relationships. This support was particularly valuable during the discussion and evaluation phase of contractual disputes pertaining to supply chain matters.

To better mitigate and manage the impact of sanctions imposed against Russia on the supply chain, and to ensure operational and business continuity, a dedicated task force operates – in collaboration with Contract & Subcontract Management and Group Security – to define supply strategies, inter-departmental coordination, governance activities, and mitigation actions, enhancing the interdisciplinary nature of Category Management to manage the rapidly evolving and highly complex situation.

Finally, in accordance with the updated Group PRG-500 procedure, supplier master data management, anti-terrorism compliance and sanction list checks, and qualification process supervision activities continued regularly.

## 9. Industrial relations and security

### **INDUSTRIAL RELATIONS**

In line with previous years, industrial relations within the MAIRE Group during the first half of 2023 continued to be marked by productive and collaborative discussions. These interactions involved Company Management from both the Parent Company and Subsidiaries, along with the respective



Company Trade Union Representatives, where applicable, and the Regional Trade Union Organizations representing the Chemical and Metalmechanical sectors.

First and foremost, we note that, in light of the prevailing inflation rates, and as a measure to support the income of MAIRE Group employees, Company Management made the decision – after notifying the Trade Union Representatives – not to absorb the economic increases outlined in the Collective Bargaining Agreements for the Metal and Chemical sectors that were due for 2023.

Another notable aspect is the series of meetings held with the Trade Unions to discuss and establish the renewal of the MAIRE Group's Engagement and Incentive Policy for the three-year period 2023-2025. This policy offers the possibility of granting employees in the Chemical and Metalmechanical sector bonuses in the form of flexible benefits, in addition to monetary rewards. These bonuses are determined based on the attainment of specific Company Profitability and Productivity Indices.

Regarding the subsidiary MST S.p.A., we highlight in the period, i) tripartite meetings were held, involving the Company Trade Union Representatives, the Regional Trade Union Organizations of Abruzzo, and Local Health Authority 1 in Abruzzo. These meetings sought to initiate a constructive dialogue to urge the ASL 1 Commissionaria company to propose solutions ensuring the continuity of current activities and safeguarding employment in the area, and ii) the launch of a trade union consultation procedure, in accordance with Article 47 of Law No. 428/1990. This procedure was associated with the transfer of a business unit from MST S.p.A. to the newly incorporated subsidiary SE.MA. S.r.l. The consultation procedure concluded with the signing of two trade union consultation meeting minutes.

As for the MAIRE Group's Dutch Subsidiary, Stamicarbon, last February, Management concluded negotiations with trade union representatives for the renewal of some sections of the Collective Labor Agreement (CLA) applied to its employees and mainly focusing on the awarding of salary increases and an even more flexible work modulation.

Finally, we note that two union agreements were signed for the Tecnimont and KT-Kinetics Technology Subsidiaries in order to provide funded institutional training for the year 2023.

## **SECURITY**

In line with the adoption of the Group's general security policies, which recognize the value of human resources as a key asset and prioritize safeguarding the integrity and security of employees, the following were ensured:

- guided support i) for management and operational company departments, within the general Corporate Governance system and in the management of “critical” and/or potentially critical situations; ii) for ongoing projects during the proposal phase, with the goal of examining the risk conditions in the relevant country/region and qualifying/quantifying the consequent mitigating security measures and, finally, iii) for projects in Italy, in order to complete the roll-out of corporate policies related to the organization and management of executive offices/operational sites.
- monitoring of the socio-political-economic conditions in countries of interest for the Group, reporting periodically to senior management and the heads of the companies involved and ensuring adequate security for management's commercial and/or operative missions in at risk countries;
- ongoing updates on country situations through the SECUR g corporate portal and administration of a “security induction” containing country/region information data and behavioral guidelines.

Finally, operational support was provided to the remaining streams of employees working on projects in Russia, which are currently in the process of being wound down. This involved cooperation with company departments and provided extensive and ongoing information and behavioral training.



The intensive use of the Compliance Catalyst platform in H1 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 department, which continued, in close cooperation and with the support of expertise from the relevant departments, the related analysis activities to proactively identify and adopt the necessary mitigation measures to safeguard people, the integrity of assets, and the protection of company information.

## 10. 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.



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 has grown constantly, reflecting the Group's unwavering commitment and work to provide training and raise awareness in the areas of HSE and Social Accountability.

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.

Testament to our great work and commitment is the recognition obtained 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.

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 at the Maire Tecnimont Group numbered over 140 million.

The Maire Tecnimont Group's main safety indicators are periodically compared with international benchmarks, such as those provided annually by IOGP for EPC (Engineering Procurement & Construction) contractors.

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.

## 11. Innovation and Research & Development

The main driver of innovation is identifying the unfulfilled needs of clients and 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 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 CO<sub>2</sub> to carbon monoxide and valorization into a reactive gas that enables the production of carbon neutral or low carbon products), CO<sub>2</sub> 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.

The growing need for Energy Transition technologies, both in our target markets and in other sectors, has led to an order intake since the beginning of the year for the STS BU of approx. Euro 200 million, which represents a fivefold increase over the first half of 2022.

Our unique technology offering was a key success factor in achieving this outstanding result. In line with our plans, during the first half of 2023 we continued to work on expanding our portfolio, and our R&D department was focused on developing innovative and increasingly sustainable solutions. This effort resulted in approx. 90 additional patents during the first half of 2023, bringing the total number to over two thousand.

The development of additional technologies has also been pursued through external acquisitions, with the purchases of Conser and CatC technology, starting a trend that is expected to continue over time.

The activities we are carrying out to continue expanding our technology portfolio have a positive impact on the entire business. In the first half of the year, for example, we were awarded 3 projects involving STS as the technology provider and E&C as the executive arm.

We also collaborated with other partners. For example, we were among the founders of FERTIGHI, a consortium formed by a combination of investors in the value chain to accelerate the transition to low carbon emissions in the EU agricultural industry.

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.

Through its subsidiaries, Maire Tecnimont participates in numerous research projects as a coordinator or partner. Some of the projects are funded by the EU, while others are funded at the national level.

Maire Tecnimont continued in 2023 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 2023, 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 clients, with a view to continuous improvement from the design phase to the operation phase.

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 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 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.

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 period we consolidated some initiatives, in continuity with the work of previous years, and launched new strategic collaborations, always with a view to enabling the Open Green Innovation model.

## 12. 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.

Maire Tecnimont Group's business involves the concentration of activities in two business units ("BUs"), namely: i) "Integrated E&C Solutions", which specifically covers the general contractor executive responsibilities and all typical EPC (Engineering, Procurement and Construction) project activities; given the nature of these activities, high volumes for this business unit are expected and margins in line with the average for EPC contracts. 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"; given its technological nature, this BU expresses low volumes but with significantly high margins, also accompanied by a low level of risk.

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 June 30, 2023 was Euro 9,044.7 million (Euro 8,614 million at December 31, 2022). 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 June 30, 2023, approx. 72% of Group consolidated revenues related to 10 major contracts, corresponding at the same date to approx. 54% 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.



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## **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 automatism 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 Picas, 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 Sustainable Technology Solutions BU, headed by the Nextchem Holding S.p.A. Group. 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 2022 Non-Financial Statement available on the website [www.mairetecnimont.com](http://www.mairetecnimont.com) ("Investors" - "Results and Presentations" - "Sustainability Reports" section).

### **13. 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.

When entering into variable-rate loans, the Group's Finance function assesses the extent to which these respond to established objectives and, where deemed appropriate, intervenes by managing the risk of interest rate fluctuation through interest rate swap (IRS) transactions; the Group currently 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 Italy Guarantee.

The risk on the variable rate debt is currently mitigated by the fact that Group cash deposits are remunerated at interest rates indexed to the same debt parameter (Euribor).

While the Group adopts a strategy to minimize interest rate risk exposure by pursuing defined financial structure objectives, it cannot be ruled out that fluctuations in interest rates may affect the Group's results and the comparability of results for individual periods.

## **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 June 30, 2023 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 June 30, 2023 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.

The Group objective is to implement a financial structure which, in line with business objectives, guarantees an adequate level of liquidity, credit facilities and committed credit lines for the entire Group. The objective is oriented toward securing sufficient financial resources to meet short-term commitments and maturing obligations (including by refinancing transactions or advance funding) and ensuring that an adequate level of financial flexibility is provided for development programs, seeking to maintain a balance in terms of debt duration and composition and an appropriate structure of bank credit facilities. Activities to measure and control liquidity risk are conducted by continuously monitoring forecast cash flows, the maturity of financial liabilities, and the parameters of the main bank loan agreements. These indicators measure expected cash availability in the short term, maturity concentration of financial liabilities and derivatives, and the ratios between financial sources and expected uses in the short and medium term.

Among the measures adopted by the Maire Group to control and make efficient use of its liquidity is a centralized cash pooling system involving the Group's main companies.

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 June 30, 2023 amount to Euro 725,720 thousand, a decrease of Euro 36,744 thousand on December 31, 2022; the availability of liquidity ensures financial equilibrium in the short term.

Cash flows from operations show net cash generation of Euro 110,193 thousand for the period, increasing on Q1 2023, as a result of the net income for the period and changes in working capital.

The Group also believes that the acquisition of major new projects in early 2023 and those expected in the coming months will enable it to maintain good levels of liquidity.

The following tables shows the lines of credit and other credit facilities available to the Group as of June 30, 2023, broken down by type, distinguishing between amounts granted and used:



Lines of credit granted to and used by the Group as of June 30, 2023			
Description	Amt. Granted (€)	Amt. Used (€)	Amt. available
Overdraft facilities, revolving facilities and lines of credit	150,138,219	1,334,879	148,803,340
Advances on invoices - Factoring	5,500,000	2,229,848	3,270,152
M/L loans - Bonds	692,971,070	692,971,070	-
<b>Total</b>	<b>848,609,289</b>	<b>696,535,797</b>	<b>152,073,492</b>

The Euro Commercial Paper (ECP) Program will also 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 amounts used and the total granted are set out below:

Granted to and used by the Group as of June 30, 2023			
Description	Amt. Granted (€)	Amt. Used (€)	Amt. available
Euro Commercial Paper	150,000,000	29,200,000	120,800,000
<b>Total</b>	<b>150,000,000</b>	<b>29,200,000</b>	<b>120,800,000</b>

### **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.

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, 2023.

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 December 2024) with an average duration of approx. 5 years, total repayment at maturity, and an average rate of approximately 5.93%. 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, 2023.





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 the next measurement based on figures at June 30, 2023.

On March 13, 2023, Maire Tecnimont S.p.A. signed a new Euro 150 million loan, backed for 80% by SACE S.p.A.'s guarantee and further strengthening the Maire Tecnimont Group's financial structure. This loan was issued by a syndicate of leading Italian banks, comprising Banco BPM, MPS Capital Services and Intesa Sanpaolo (IMI Corporate & Investment Banking Division). This latter shall act also as the "SACE Agent" and Agent Bank for the transaction. In accordance with Legislative Decree No. 50 of May 17, 2022, the loan shall mainly support the funding (including R&D spend) and working capital needs of the parent company MAIRE and of Tecnimont S.p.A., the MAIRE Group's main operating company headquartered in Italy. The new loan shall have 6-year duration, of which 3 years grace period, a Euribor 3-month +1.7% margin annual rate, in addition to the cost of the SACE S.p.A. guarantee, and may be fully or partly settled at any time without penalties.

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 the next measurement based on figures at June 30, 2023.

On May 25, 2023, MAIRE S.p.A. signed a new Euro 40 million loan with BPER Corporate & Investment Banking, backed for 80% by SACE S.p.A.'s guarantee and further strengthening the Group's financial structure. In accordance with Decree-Law No. 50 of May 17, 2022, the loan is mainly to support the funding (including R&D spend) and working capital needs of the parent company MAIRE and of Tecnimont S.p.A., the Group's main operating company headquartered in Italy. The loan matures in December 2028 and has a three-year grace period. It provides for a Euribor 3-month +1.7% margin annual rate, in addition to the cost of the SACE S.p.A. guarantee, and may be fully or partly settled at any time without penalties.

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 the next measurement based on figures at June 30, 2023.

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, as measured based on HY 2023 figures, have been complied with according to the results currently available.

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

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





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

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

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

## 14. Disputes

Maire Tecnimont Group disputes concern outstanding proceedings relating to ordinary operations of Group companies. A summary of the main positions at June 30, 2023 according to currently available information is presented below.

### **CIVIL, ADMINISTRATIVE AND ARBITRATION PROCEEDINGS**

#### **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 has been finalized, the case will 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 were held in February 2023, at which the parties appeared 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 the fall 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. In March and April 2023, the parties exchanged further briefs



regarding Tecnimont's request to have the final project milestone (Milestone 47) recognized. Arbitration activities have concluded. The Award should be issued by the end of 2023.

### **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 site; 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. The Court reserved the case for judgment in the time limits pursuant to Article 190 of the Civil Code. The deadline to file the closing statement is September 28, 2023 and the deadline to file the reply statement is October 18, 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 center in Basilicata (the "Contract"). The Contract originally called for a price of Euro 504,782,805.80 and a completion time of 42 months. Execution of the Contract was significantly compromised by numerous events attributable to Total E&P Italia, including the issuance of a large number of change orders, which radically altered the scope of the work to be done by 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. By order dated May 19, 2022, the Arbitration Board granted the parties deferred deadlines for briefs and respective replies on the issue. The parties completed all the steps required in this first stage of the proceedings and the Arbitration Tribunal reserved the case for judgment. The deadline for the Arbitration Court to issue the partial award on the first phase of the arbitration is October 31, 2023.

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.

### **National Petrochemical Industrial Company (NatPet)**

NatPet, a national petrochemical company under Saudi law, has filed an arbitration proceeding against Tecnimont S.p.A. and Tecnimont Arabia Ltd. with the International Chamber of Commerce (ICC case No. 25791/AZR) by virtue of the arbitration clause contained in the Umbrella Agreement referred to in the contracts signed by NatPet with both companies in 2005 for the construction of a polypropylene plant located in Madinat, Yanbu Al-Sinaiyh in Saudi Arabia. The arbitration proceedings formally commenced on November 11, 2020 with notification by NatPet to Tecnimont S.p.A. and Tecnimont Arabia Ltd of a Request for Arbitration whereby NatPet initially asked the upcoming Arbitration Tribunal to order Tecnimont S.p.A. and Tecnimont Arabia Ltd to pay the sum of USD 350 million (later reduced to USD 80 million by means of the Terms of Reference dated October 6, 2021) as damages for the explosion at the plant allegedly caused by breach of contract and/or negligence. A silo valve was reportedly closed during polymer unloading operations, causing the polymer to explode. On February 2, 2021, Tecnimont filed an Answer to the Request for Arbitration with which it requested that the upcoming Arbitration Tribunal reject in full the claims made by NatPet both for lack of grounds and because the prescriptive period had expired, and that the Tribunal further order NatPet to pay costs, reserving the right to supplement its claims during the arbitration proceedings. Subsequent to the May 2021 Case Management Conference, the Arbitration Tribunal, once constituted, issued Procedural Order No. 1 which included the procedural schedule and stated that it would rule on two preliminary issues after a hearing to be held on October 5, 2021. These issues concerned the statute of limitations for NatPet's claims under the contracts, and the eventual settlement of those claims as a result of the Global Settlement Agreement entered into between the parties at the time of the issuance of the Final Acceptance of Plant Certificate. On November 15, 2021, the Arbitration Tribunal ruled on the statute of limitations, refusing to accept, on the one hand, that this period had expired for NatPet's claims under the contracts and rejecting, on the other, the notion that Tecnimont S.p.A. and Tecnimont Arabia Ltd could be held liable for any claims for compensation or damages accrued at the time of the Settlement Agreement. NatPet filed its Statement of Claim on December 22, 2021, while Tecnimont S.p.A. and Tecnimont Arabia Ltd will 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 were held between April and May 2023. The award is not expected until the end of 2023.

### **Rome Metro – Extension of line B1**

The contract is currently under execution on behalf of Roma Metropolitane (Municipality of Rome) by a consortium comprising Salini-Impregilo S.p.A., Neosia S.p.A. (now merged into MST S.p.A.) and ICOP S.p.A. In relation to the contract for the Bologna – Conca d'Oro line, the test report was issued in February 2013. The 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. The parties filed their closing statements and reply briefs and the Judge reserved the case for judgment.

### **LLC EuroChem North-West-2**

This is a 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. TCM and MTR filed their reply on December 19, 2022. On February 3, 2023, the ICC admitted EuroChem AG's "joinder" in the first instance, then referred the final decision on the matter to the Arbitration Tribunal. The Arbitration Tribunal was constituted on May 17, 2023 with the appointment of the Chairperson. The first Case Management Conference (CMC) was held on June 26, 2023 in London, and the Terms of Reference were signed. The procedural schedule of the arbitration has not yet been set. That said, on July 21 next, TCM and MTR must file a brief to counter EuroChem's request for "bifurcation" of the proceedings regarding EuroChem AG's "joinder." The arbitration is expected to end in 2026.

#### **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. On May 5, 2023, Sadara filed its Statement of Defense and Counterclaim. On June 16 and June 30, 2023, the parties' technical advisors submitted their reports. Arbitration is expected to conclude no earlier than late 2024.

#### **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. (now merged into Tecnimont 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. On February 8, 2023, the Arbitration Tribunal composed of three members was constituted. On March 7, 2023, the case management hearing was held to set the procedural schedule. The Terms of Reference containing the procedural schedule were signed on March 15, 2023. On June 28, 2023, Met Newen México, S.A. de C.V. filed its Statement of Claim.

### **Velesstroy LLC**

These are two proceedings before the Moscow Commercial Court taken by Vellestroy LLC (VLS) against MT Russia LLC (MTR), pursuant to the Subcontract Agreement entered into between the parties on December 31, 2021 as part of the EuroChem North-West-2 project for the construction of an Ammonium plant and a Urea plant (as well as related ancillary infrastructure), located in Kingisepp, Leningrad Region (Russian Federation). The execution of the Contract with EuroChem North-West-2 was greatly affected by several impactful events attributable to the client ENW2, as well as the geopolitical situation stemming from the Russia-Ukraine crisis and the resulting sanctions implemented by various international authorities, so that Tecnimont S.p.A. and MT Russia notified ENW2 of the suspension of the Contracts. In this regard, Vellestroy LLC in the first proceedings brought demanded payment for services performed under the Subcontract Agreement totaling approx. RUB 2.2 billion. In the second proceedings brought by Velesstroy on March 9, VLS is claiming the alleged damages arising from the termination of the Subcontract (including recovery for costs) in the amount of approximately RUB 4 billion; the amount claimed includes (i) indirect costs to which VLS considers it is entitled under the Contract and which it was unable to charge MTR due to the suspension of the Subcontract; and (ii) other costs that VLS incurred due to MTR's alleged breach of the Subcontract (i.e., damages). The next hearings for both proceedings are scheduled for the end of August; in the meantime, VLS has also filed motions for protective measures in the form of injunctions on MT Russia's current accounts, that were accepted as a precautionary measure by the court in July.

On March 17, 2023, Tecnimont S.p.A. and LLC MT Russia, on the other hand, instituted against LLC Velesstroy ("VLS") arbitration proceeding ICC No. 27660/ELU, based on the arbitration clause contained in the Cooperation Agreement concluded between Tecnimont S.p.A. and LLC MT Russia, on the one hand, and VLS on the other hand on December 13, 2021. The Cooperation Agreement is governed by English law and the arbitration is based in London; the Cooperation Agreement is in the context of the EuroChem North-West-2 Project, and through this contract the Parties have established the scope of work under their responsibility in the Project and agreed on mutual obligations to cooperate in the execution of this work.

The arbitration formally commenced on March 17, 2023 through the service on VLS of a Request for Arbitration in which Tecnimont/LLC MT Russia requested the constituting Arbitration Tribunal to declare VLS's breach of its cooperation obligations arising from the Cooperation Agreement and accordingly order VLS to pay approximately Euro 25 million in damages. On June 1, 2023, VLS



filed its Answer to the Request for Arbitration in which it requested the constituting Arbitration Tribunal to reject the claims made in their entirety. On June 22, Tecnimont and LLC MT Russia filed a Request for Joinder against the beneficial owner of VLS in order that the constituting Arbitration Tribunal declare it jointly and severally liable with VLS to pay the above amounts. By Application for Emergency Measures filed on July 13, 2023, Tecnimont and LLC MT Russia also requested the appointed Emergency Arbitrator to order that VLS (i) abandon the proceedings instituted against LLC MT Russia before the Russian courts in violation of the "no-claim principle" established by the Cooperation Agreement and (ii) waive the precautionary measures issued in the context of these proceedings. Subsequently, the English judge ordered VLS to abandon all proceedings initiated in Russia, as well as to release all restrictions on LLC MT Russia's accounts.

### **ACC Lahoud (ALJV) (United Arab Emirates)**

Please refer to the 2022 Annual Report for a detailed description of the dispute. Following the issue of the award on April 28, 2023, on May 24, 2023, Tecnimont submitted an application for correction of the award, requesting that certain computational errors be corrected. Subsequently, the parties on June 5 submitted their statement of cost. The court's final decision came on July 14, 2023, and was not satisfactory to Tecnimont. Following the issuance of the Award, in order to avoid the continuation of the matter in the courts, and in view of the mutual interest in participating in upcoming projects in the area, the Parties signed a satisfactory agreement that also takes into account and prefers future commercial and industrial relations.

### **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 June 30, 2023 according to currently available information is presented below.

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

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

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

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

In October 2019, the Large Taxpayers Office of the Tax Agency's Lombardy Regional Directorate notified the company of separate assessment notices for IRES corporate income tax (No. TMB0E3M00491/2019) purposes, notifying also Maire Tecnimont SpA in this regard as a consolidating and jointly liable party, and IRAP regional tax (No. TMB0C3M00492/2019) for the



2014 tax period. The Tax Agency essentially confirmed the findings of the tax audit report, calling for Euro 1,015 thousand in terms of IRES and Euro 138 thousand in terms of IRAP, plus interest.

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

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

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

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

#### **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).

## 15. Treasury shares and shares of the parent company

On June 21, 2023, Maire Tecnimont S.p.A. launched the treasury share buyback program as per Article 5 of Regulation (EU) 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 Third Cycle (2022) of the “2020-2022 General Share Plan for Maire Tecnimont Group employees” adopted by the Company.

As part of the share buy-back program, between June 21, 2023 and July 7, 2023 inclusive, 1,100,000 treasury shares were acquired (corresponding to 0.335% of the total number of ordinary shares), at an average weighted price of Euro 3.476, for a total amount of Euro 3,824,103, and the program was therefore completed.

In light of the purchases made and the treasury shares already held in portfolio before the start of the Program, at June 30, 2023, the Company held 767,097 treasury shares. After completion of the buy-back program, on July 7 2023 the Company held a total of 1,209,297 treasury shares.

## 16. Subsequent events.

### **THE KEY SUBSEQUENT EVENTS WERE THE FOLLOWING:**

#### **STAMICARBON, A SUBSIDIARY OF NEXTCHEM HOLDING (STS BUSINESS UNIT OF MAIRE), AWARDED LICENSING AND PROPRIETARY EQUIPMENT FOR A FERTILIZER PROJECT IN SUB-SAHARAN AFRICA WITH A RECORD VALUE OF APPROX. EURO 100 MILLION**

On July 12, 2023, MAIRE S.p.A. announced that its subsidiary NextChem Holding, through Stamicarbon, part of the Sustainable Technology Solutions business unit, had been awarded licensing and proprietary equipment supply contracts for an ammonia and urea complex with a total value of approximately Euro 100 million, making it the most valuable acquisition in Stamicarbon's history. The award follows licensing and process design package contracts awarded by the same client and announced in August 2022.

The integrated ammonia and urea complex in sub-Saharan Africa will have a capacity of 4,600 tons of ammonium per day and 8,000 tons of urea per day, in two production trains. The project is expected to be operational in 2026 and is designed to meet the growing demand for high-quality fertilizer in the area and potentially - given to the plant's strategic location - globally. The complex will utilize Stamicarbon's state-of-the-art nitrogen fertilizer technology and proprietary equipment, which will reduce energy consumption and minimize ammonia emissions.



## **CHANGE OF NAME OF NEXTCHEM HOLDING S.P.A. and NEXTCHEM S.P.A**

The Extraordinary Shareholders' Meetings of NextChem Holding S.p.A. and NextChem S.p.A. were held on July 25, 2023, at which it was resolved to change the names of both companies as follows: the current NextChem Holding S.p.A. to NextChem S.p.A. and the current NextChem S.p.A. to NextChem Tech S.p.A. The new company names will be effective upon registration of the respective Shareholders' Meeting resolutions, together with the new By-Laws, with the Companies Register.

## **17. Outlook**

### **OUTLOOK**

The general market environment, significantly impacted by the international geopolitical tensions, continues to bear a level of uncertainty and criticalities regarding the general inflation of raw material prices and their availability, transport logistics and procurement on certain markets, although a path of gradual normalization is expected, partly as a result of the monetary tightening imposed by the world's major banks to contain inflationary effects.

Amid the continued increase in natural resource prices, 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 drive to reduce its carbon footprint motivates the Group to increasingly strengthen the development of sustainable technology solutions, driven by growing demand from both traditional and new clients in hard-to-abate sectors.

Thanks to the contracts already signed with international clients since the beginning of the current year, the Group has ensured the replenishment of the portfolio converted to production in the first half of the year.

In view of the significant business opportunities that are expected to emerge in the coming months, the Group expects to be able to further increase its backlog for both Business Units and confirm the expected growth forecast for the coming and subsequent fiscal years.

### **GUIDANCE 2023**

In view of that outlined above, and in particular the significant backlog, the company confirmed the 2023 Guidance, previously announced to the market on March 2, 2023 with the new 2023-32 Strategic Plan, indicating the following expected operating parameters for the present year:

	<b>Sustainable Technology Solutions</b>	<b>Integrated E&amp;C Solutions</b>	<b>Group</b>
Revenues	€0.2 – 0,3bn	€3.6 – 3,9bn	<b>€3.8 – 4,2bn</b>
EBITDA Margin	21-25%	5-6%	<b>6-7%</b>
Capex	€70 – 80 m	€25 – 35 m	<b>€95 – 115 m</b>
Adjusted Net Liquidity			<b>in line with 2022</b>





## **Consolidated Financial Statements and Explanatory Notes**

at June 30, 2023



## 18. Financial Statements

### 18.1. Consolidated Income Statement

<i>(in Euro thousands)</i>	<i>Note</i>	<b>H1 2023</b>	<b>H1 2022</b>
Revenues	22.1	1,958,387	1,573,181
Other operating income	22.2	7,331	42,234
<b>Total Revenues</b>		<b>1,965,718</b>	<b>1,615,415</b>
Raw materials and consumables	22.4	(809,794)	(701,052)
Service costs	22.5	(675,549)	(523,618)
Personnel expenses	22.6	(286,617)	(242,700)
Other operating expenses	22.7	(72,815)	(50,613)
<b>Total Costs</b>		<b>(1,844,774)</b>	<b>(1,517,983)</b>
<b>EBITDA</b>		<b>120,943</b>	<b>97,433</b>
Amortization, depreciation and write-downs	22.8	(24,761)	(23,753)
Write-down of current assets	22.9	(1,405)	(1,980)
Provisions for risks and charges	22.9	0	0
<b>EBIT</b>		<b>94,776</b>	<b>71,700</b>
Financial income	22.10	15,889	13,631
Financial expenses	22.11	(34,176)	(27,287)
Investment income/(expense)	22.12	872	(65)
<b>Income before tax</b>		<b>77,361</b>	<b>57,979</b>
Income taxes, current and deferred	22.13	(23,374)	(17,371)
<b>Net income for the period</b>		<b>53,987</b>	<b>40,609</b>
Group net income		51,568	42,173
Minorities		2,419	(1,565)
<b>Basic earnings per share</b>	22.14	<b>0.157</b>	<b>0.129</b>
<b>Diluted earnings per share</b>		<b>0.157</b>	<b>0.129</b>

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.



## 18.2. Consolidated Comprehensive Income Statement

(in Euro thousands)	Note	H1 2023	H1 2022
Net income for the period		53,987	40,609
Other comprehensive income/(expense) which may not be			
Actuarial gains/(losses)	23.18	(873)	518
Relative tax effect		209	(124)
Fair value changes of investments with OCI effects	23.18	(569)	152
Total other comprehensive income/(expense) which may not be		(1,231)	545
Other comprehensive income/(expense) which may be			
Translation differences	23.18	(27,693)	37,488
Net valuation of derivative instruments:			
· valuation derivative instruments	23.18	4,968	(105,250)
· relative tax effect		(1,192)	25,260
Total other comprehensive income/(expense) which may be		(23,917)	(42,501)
Total other comprehensive income/(expense), net of the tax		(25,149)	(41,956)
Comprehensive income		28,838	(1,347)
Attributable to:			
· Group		26,418	217
· Minorities		2,419	(1,565)



### 18.3. Consolidated Balance Sheet

(in Euro thousands)	Note	June 30, 2023	December 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	23.1	46,465	44,084
Goodwill	23.2	336,718	295,368
Other intangible assets	23.3	119,781	110,324
Right-of-use - Leasing	23.4	134,761	133,027
Investments in associates	23.5	14,296	13,988
Financial instruments - Derivatives (Non-current assets)	23.6	2,820	4,308
Other non-current financial assets	23.7	119,152	116,989
Other non-current assets	23.8	109,683	88,181
Deferred tax assets	23.9	56,059	53,491
<b>Total non-current assets</b>		<b>939,735</b>	<b>859,760</b>
Current assets			
Inventories	23.10	5,496	3,946
Advances to suppliers	23.10	406,102	360,855
Contractual Assets	23.11	2,563,621	2,260,797
Trade receivables	23.12	653,879	704,182
Current tax assets	23.13	143,096	159,106
Financial instruments - Derivatives (Current assets)	23.14	10,291	13,082
Other current financial assets	23.15	10,203	7,486
Other current assets	23.16	249,993	259,598
Cash and cash equivalents	23.17	725,720	762,463
<b>Total current assets</b>		<b>4,768,401</b>	<b>4,531,515</b>
Non-current assets classified as held-for-sale		0	0
Elimination of assets to and from assets/liabilities held-		0	0
<b>Total Assets</b>		<b>5,708,136</b>	<b>5,391,275</b>

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	June 30, 2023	December 31, 2022
Shareholders' Equity			
Share capital	23.18	19,921	19,921
Share premium reserve	23.18	272,921	272,921
Other reserves	23.18	(29,993)	(5,231)
Valuation reserve	23.18	(28,999)	(31,543)
<b>Total shareholders' equity &amp; reserves</b>		<b>233,850</b>	<b>256,068</b>
Retained earnings/(accumulated losses)	23.18	184,040	145,616
Net income for the period	23.18	51,568	89,890
<b>Total Group Shareholders' Equity</b>		<b>469,458</b>	<b>491,574</b>
Total Minorities Shareholders' Equity		50,403	36,477
<b>Total Shareholders' Equity</b>		<b>519,861</b>	<b>528,051</b>
Non-current liabilities			
Financial debt - non-current portion	23.19	435,440	290,781
Provisions for charges - beyond 12 months	23.20	13,412	13,518
Deferred tax liabilities	23.9	54,662	48,619
Post-employment & other employee benefits	23.21	11,804	10,190
Other non-current liabilities	23.22	97,267	60,128
Financial instruments - Derivatives (Non-current liabilities)	23.23	2,191	80
Other non-current financial liabilities	23.24	17,419	180,132
Non-current financial liabilities - Leasing	23.25	111,400	110,467
<b>Total Non-Current Liabilities</b>		<b>743,595</b>	<b>713,915</b>
Current liabilities			
Short-term debt	23.26	105,273	310,837
Current financial liabilities - Leasing	23.25	24,425	22,559
Provisions for risks and charges - within 12 months	23.27	39,603	35,074
Tax payables	23.28	34,021	23,822
Financial instruments - Derivatives (Current liabilities)	23.29	18,518	43,381
Other current financial liabilities	23.30	201,483	2,780
Client advance payments	23.31	694,214	645,631
Contractual Liabilities	23.32	295,379	360,324
Trade payables	23.33	2,610,366	2,295,802
Other Current Liabilities	23.34	421,400	409,099
<b>Total current liabilities</b>		<b>4,444,682</b>	<b>4,149,309</b>
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
<b>Total Shareholders' Equity and Liabilities</b>		<b>5,708,136</b>	<b>5,391,275</b>

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.



## 19. 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 the period	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						(1,407)		(1,407)	492	(915)
Distribution dividends						(60,105)		(60,105)		(60,105)
Share capital increase non-cont. int.								0	0	0
Other movements						155		155	195	350
IFRS 2 (Employee share plans)			5,408					5,408		5,408
Utilization Treasury Shares 2021 for staff plans			57					57		57
Acquisition of Treasury Shares 2022			(2,915)					(2,915)		(2,915)
Comprehensive income/(loss) for the period				37,488	(79,445)		42,173	216	(1,565)	(1,349)
June 30, 2022	19,921	272,921	29,074	(5,366)	(74,271)	150,210	42,173	434,662	33,221	467,882

(in Euro thousands)	Share capital	Share premium reserve	Other reserves	Translation reserve	Valuation reserve	Retained earnings/accum. losses	Income/(losses) for the period	Group Shareholders' equity	Minority interest capital & reserves	Group & Minority int. consol. share. equity
December 31, 2022	19,921	272,921	35,035	(40,266)	(31,543)	145,616	89,890	491,574	36,477	528,051
Allocation of the result						89,890	(89,890)	0		0
Change to consolidation scope						(11,019)		(11,019)	12,317	1,298
Distribution dividends						(40,738)		(40,738)		(40,738)
Other movements						291		291	(811)	(520)
IFRS 2 (Employee share plans)			5,170					5,170		5,170
Utilization Treasury Shares for staff plans			0					0		0
Acquisition of Treasury Shares 2023			(2,239)					(2,239)		(2,239)
Comprehensive income/(loss) for the period				(27,693)	2,544		51,568	26,418	2,419	28,838
June 30, 2023	19,921	272,921	37,966	(67,960)	(28,999)	184,040	51,568	469,458	50,403	519,861





## 20. Consolidated Cash Flow Statement (indirect method)

(Euro thousand)		
	June 30, 2023	June 30, 2022
<b>Cash and cash equivalents at the beginning of the year (A)</b>	<b>762,463</b>	<b>677,100</b>
<b>Operations</b>		
<b>Net Income of Group and Minorities</b>	<b>53,987</b>	<b>40,609</b>
<b>Adjustments:</b>		
- Amortisation of intangible assets	8,646	8,981
- Depreciation of non-current tangible assets	2,782	2,812
- Depreciation of Right-of-use - Leasing	13,333	11,960
- Provisions	1,405	1,980
- (Revaluations)/Write-downs on investments	(872)	65
- Financial Charges	34,176	27,287
- Financial (Income)	(15,889)	(13,631)
- Income and deferred tax	23,374	17,372
- Capital (Gains)/Losses	(394)	181
- (Increase)/Decrease inventories/supplier advances	-46,796	134,722
- (Increase)/Decrease in trade receivables	50,561	106,825
- (Increase)/Decrease in contract assets receivables	(347,704)	113,137
- Increase/(Decrease) in other liabilities	34,774	(4,236)
- (Increase)/Decrease in other assets	(12,783)	(72,848)
- Increase/(Decrease) in trade payables/advances from clients	390,193	5,388
- Increase/(Decrease) in payables for contract liabilities	(64,945)	(129,885)
- Increase/(Decrease) in provisions (including post-employment benefits)	11,207	(2,535)
- Income taxes paid	(24,863)	(22,357)
<b>Cash flow from operations (B)</b>	<b>110,193</b>	<b>225,825</b>
<b>Investments</b>		
(Investment)/Disposal of non-current tangible assets	(4,925)	(5,462)
(Investment)/Disposal of intangible assets	(10,918)	(9,240)
(Investment)/Disposal in associated companies	883	(20)
(Increase)/Decrease in other investments	0	0
(Investments)/Disposal of companies net of cash and cash equivalents acquired	(25,094)	(915)
<b>Cash flow from investments (C)</b>	<b>(40,054)</b>	<b>(15,638)</b>
<b>Financing</b>		
Repayments of principal of financial Leasing liabilities	(12,268)	(13,316)
Payments of financial charges on financial Leasing liabilities	(2,777)	(2,215)
Increase/(Decrease) in short-term debt	(161,495)	3,681
Repayments of long-term debt	(111,305)	(15,287)
Proceeds from long-term debt	189,033	0
Increase/(Decrease) bonds	26,700	50,100
Change in other financial assets and liabilities	8,205	(1,453)
Dividends	(40,738)	(60,105)
Treasury Shares-Buyback	(2,239)	(2,915)
<b>Cash flow from financing (D)</b>	<b>(106,884)</b>	<b>(41,509)</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents (B+C+D)</b>	<b>(36,744)</b>	<b>168,678</b>
<b>Cash and cash equivalents at year end (A+B+C+D)</b>	<b>725,720</b>	<b>845,779</b>
of which: Cash and cash equivalents of Discontinued Operations	0	0
<b>CASH AND CASH EQUIVALENTS REPORTED IN THE FINANCIAL STATEMENTS</b>	<b>725,720</b>	<b>845,779</b>

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.



## 21. Notes at June 30, 2023

### **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 Castilia, 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](http://www.mairetecnimont.com).

The condensed consolidated 2023 half-year financial statements 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"). In preparing the condensed consolidated 2023 half-year financial statements as per IAS 34 "Interim financial reporting", the same accounting standards were used as for the financial statements at December 31, 2022, to which reference should be made.

These condensed consolidated 2023 half-year financial statements are expressed in Euro, as the majority of Group operations are carried out in this currency. The foreign subsidiaries are included in the consolidated financial statements in accordance with the policies described in the notes below.

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

#### **Going concern**

In light of the results achieved, the Group and the Company consider the going concern principle appropriate for the preparation of the condensed consolidated 2023 half-year financial statements. See also the "Key Events in the period" 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.



### **Accounting Standards, Amendments and Interpretations applied from January 1, 2023**

The following amendments and interpretations applied from January 1, 2023 did not have a significant impact on the Group consolidated financial statements.

- 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.
- 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.
- 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.
- 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.

### **IFRS and IFRIC accounting standards, amendments and interpretations endorsed by the EU, not yet mandatory and not adopted in advance by the Group at June 30, 2023**

- On May 23, 2023, the IASB issued the Amendments to IAS 12 Income taxes document: International Tax Reform – Pillar Two Model Rules.

The amendment seeks to ensure that Groups of companies covered by the rules pay a minimum level of tax on earnings in a given period in each jurisdiction in which they operate.

In general, the rules apply a system of additional taxes that brings the total amount of taxes paid on an entity's net income in a jurisdiction up to the minimum rate of 15%.

The standards must be transposed into national legislation according to each country's approach. Based on the OECD's recommendations, a number of territories are expected to enact local legislation in 2023. The rules will have an immediate impact on income taxes when the regulations come into effect.



Applying the OECD Pillar Two Model Rules and determining their impact on IFRS financial statements is complex and poses a number of practical challenges. It is not immediately clear how entities would apply the principles and requirements under IAS 12 in accounting for the additional tax resulting from the rules - in particular, whether the recognition and measurement of deferred tax assets and liabilities would be affected. Where deferred tax assets and liabilities were to be affected by the regulations, this would be from the date on which the relevant national legislation is enacted or substantially enacted.

After considering all potential challenges, the IASB decided to undertake a standard-setting project in response to the upcoming implementation of the rules and published an exposure draft (ED/2023/1 International Tax Reform - Pillar Two Model Rules) in January 2023. The exposure draft proposes (a) a temporary exception from the accounting for deferred taxes arising from legislation enacted to implement the OECD Pillar II model rules and (b) additional disclosure requirements for annual financial statements.

The Exposure Draft provides that the scope and disclosure exception is applicable immediately after the amendments are issued and retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Other proposed disclosure requirements would apply to annual fiscal years beginning on or after January 1, 2023.

the IASB has proposed to introduce a temporary exception to the requirements of IAS 12 by which entities will not be required to recognize and disclose deferred tax assets and liabilities related to Pillar Two taxes. This exception would provide affected entities with an exemption from accounting for deferred tax assets and liabilities in connection with taxes due under Pillar Two, the rules for which will be issued shortly. The exception would also avoid inconsistent application of the requirements of IAS 12;

The exception should be mandatory, which would result in greater comparability among financial reports, as well as eliminate the risk of entities inadvertently developing accounting policies that are inconsistent with the requirements of IAS 12;

the Exposure Draft does not specify an end date for the exception. As noted by the IASB in the Basis for Conclusions (BC17) of the Exposure Draft, at present it is not possible to determine how long it will take to complete the work needed to determine how entities apply the principles and requirements of IAS 12 to account for deferred taxes related to Pillar Two. Therefore, the IASB proposed not to specify the duration of the exception.

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

#### **IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union at June 30, 2023**

At the date of the present Half-Year 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.
- On May 25, 2023, the IASB issued the document Amendment to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Agreement, which is scheduled to take effect on January 1, 2024.

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

### **ACCOUNTING POLICIES**

The accounting policies utilized in the preparation of the condensed consolidated 2023 half-year financial statements are the same as those adopted for the preparation of the consolidated financial statements at December 31, 2022 to which reference should be made, except as described in the paragraph "Accounting standards, amendments and IFRS interpretations applicable from January 1, 2023". The half-year financial statements must be read together with the consolidated financial statements at December 31, 2022, prepared in accordance with IFRS.

### **USE OF ESTIMATES**

For an outline of accounting estimates utilized, reference should be made to the 2022 Consolidated Annual Accounts. It should also be noted that some valuation processes, in particular the most complex, such as the determination of any loss in value of non-current assets, are generally made on a complete basis on the preparation of the annual accounts, when all the necessary information is available, except where there are specific indications of impairment which require an immediate valuation of any loss in value.

### **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, 2022 were as follows:

- deconsolidation following the completed liquidation process and subsequent cancellation of Tecnimont/Velesstroy S.r.l.;
- incorporation of SE.MA. Global Facilities S.r.l. and BiOne S.r.l., both wholly-owned subsidiaries of MST S.p.A;
- deconsolidation of Neosia Renewables S.p.A. following its merger into Tecnimont S.p.A, effective February 20, 2023;



- deconsolidation of MET Gas Processing Technologies S.p.A. following its merger into Tecnimont S.p.A, effective February 21, 2023;
- During the first half of 2023, following the completion of the industrial reorganization process of the Maire Tecnimont Group, which among other activities included the transfer to the subsidiary NextChem Holding S.p.A. of the 100% holding of the Dutch-registered subsidiary Stamicarbon B.V. and of 56.67% of the subsidiary NextChem S.p.A. by Maire Tecnimont and by Maire Investments S.p.A. (related party), the remaining portion of the share capital of NextChem (equal to 43.33%). As a result of the increase, the share capital of NextChem Holding is now held 78.37% by Maire Tecnimont and 21.63% by Maire Investments S.p.A., with the consequent recalculation of the minority share which increased by approx. Euro 11 million the minority interest shareholders' equity.
- In January, 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. Founded over 50 years ago, Conser boasts an extremely diverse portfolio of technology patents relating to the energy transition and processes for high value-added fine chemical products, including flexible and cost-effective technologies for maleic anhydride, butanediol and dimethyl succinate, key building blocks for the production of biodegradable plastics. Featuring excellent biodegradation properties, these plastics present very promising market prospects due to growing demand and particularly in Asia. Conser's portfolio also includes technologies for fine chemistry for lithium battery production and bio-based derivatives (plant glycerin). The acquisition contract also stipulates an earn-out clause on the basis of the achievement of set operating results for FY 2023 and 2024 and a put and call options structure on the remaining 16.5%, to be exercised within the coming three years. On the basis of these agreements, a liability was recognized (at the present value of the repayment amount) to reflect the put option and simultaneously the minority holding was cancelled, de facto recognizing Conser's 100% holding in Nextchem Holding.

For further details on the acquisition, reference should be made to "Significant events in the period" paragraph.

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 15.1 million and additional goodwill of approx. Euro 35.7 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
Intangible assets	8
Property, plant and equipment	235
Trade Receivables	1,662
Current tax assets	2,654
Other receivables	176
Cash and cash equivalents	16,554
<b>Total Assets</b>	<b>21,290</b>
Trade payables	1,777
Tax payables	3,803
Other payables	589
<b>Total Liabilities</b>	<b>6,169</b>
<b>Net Assets Acquired</b>	<b>15,121</b>
% pertaining to Group	83.5%
<b>% pertaining to Maire Group</b>	<b>12,626</b>
Initial Acquisition Price	28,432
Deferred price	7,363
Cash and cash equivalents acquired	-16,554
<b>Net acquisition price</b>	<b>19,240</b>
Potential payment - Earn-out valuation	7,515
Valuation PUT option minority 16.5%	7,557
<b>Goodwill</b>	<b>35,746</b>

- In April 2023, Maire Tecnimont S.p.A. announced that NextChem, the subsidiary that is part of the Sustainable Technology Solutions business unit, has acquired 51% of MyRemono S.r.l., a new company to which Biorenova S.p.A. has transferred patents, assets, including a pilot plant, and contracts related to CatC, an innovative catalytic depolymerization technology for plastics. CatC is 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®).

For further details on the acquisition, reference should be made to “Significant events in the period” paragraph.

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 2.6 million and additional goodwill of approx. Euro 5.6 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:



<i>(in Euro thousands)</i>	<b>Fair Value - Assets/Liabilities Acquired</b>
Intangible assets	1,488
Property, plant and equipment	2
Trade Receivables	0
Current tax assets	0
Other receivables	46
Cash and cash equivalents	2,200
<b>Total Assets</b>	<b>3,736</b>
Financial payables over 12 months	941
Financial payables within 12 months	147
Trade payables	0
Tax payables	0
Other payables	0
<b>Total Liabilities</b>	<b>1,088</b>
<b>Net Assets Acquired</b>	<b>2,649</b>
% pertaining to Group	51.0%
<b>% pertaining to Maire Group</b>	<b>1,351</b>
Initial Acquisition Price Including Capital Increase	5,242
Deferred price	1,724
Net cash and cash equivalents	-1,112
<b>Net acquisition price</b>	<b>5,854</b>
<b>Goodwill</b>	<b>5,615</b>

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:

- adoption of the line-by-line consolidation method, with the full recognition of assets, liabilities, costs and revenue, irrespective of the shareholding;
- adoption of the proportion consolidation method, recognizing the percentage held in the assets, liabilities, costs and revenue;
- 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;
- elimination of inter-company dividends and relative adjustment of opening equity reserves;
- 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 – June 23	30.06.2023	January – June 22	31.12.2022
Euro/US Dollar	1.080700	1.086600	1.093400	1.066600
Euro/Indian Rupee	88.844300	89.206500	83.317900	88.171000
Euro/Nigeria Naira	519.619500	825.033600	454.100700	477.922100
Euro/Chilean Peso	871.110000	872.590000	902.670000	913.820000
Euro/Russian Ruble (*)	83.651000	95.105200	83.741900	75.655300
Euro/Saudi Arabia Riyal	4.052500	4.074800	4.100200	3.999800
Euro/Polish Zloty	4.624400	4.438800	4.635400	4.680800
Euro/Malaysian Ringgit	4.818800	5.071700	4.669400	4.698400
Euro/GBP Sterling Great Britain	0.876380	0.858280	0.842400	0.886930
Euro/AED Dirham UAE	3.968700	3.990500	4.015500	3.917100

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



The consolidation scope at June 30, 2023 is shown below:

Companies consolidated by the line-by-line method:

Consolidated companies		Location/Country	Currency	Share capital	% Group	Through:	
Maire S.p.A.	Tecnimont	Italy (Rome)	EUR	19,920,679	–	Parent Company	
Met S.p.A.	Development	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%
Nextchem S.p.A.	Holding	Italy	EUR	27,225,000	78.37%	Maire Tecnimont S.p.A.	78.37%
Conser S.p.A.		Italy	Eur	130,800	78.37%	Nextchem Holding S.p.A.	100%
Nextchem S.p.A.		Italy	EUR	18,095,252	78.37%	Nextchem Holding S.p.A.	100%
MyReplast S.r.l.		Italy	EUR	33,115	39.9687%	Nextchem S.p.A.	51%
MyReplast Industries S.r.l.		Italy	EUR	4,600,000	39.9687%	Nextchem S.p.A.	51%
U-Coat S.p.a.		Italy	EUR	1,444,971	39.2633%	Nextchem S.p.A.	50.1%
MDG Real Estate S.r.l.		Italy	EUR	50,000	78.37%	Nextchem S.p.A.	100%
MyRechemical S.r.l.		Italy	EUR	500,000	78.37%	Nextchem S.p.A.	100%
Met T&S Management Ltd		UK	GBP	473,535	78.37%	Nextchem S.p.A.	100%
MyRemono S.r.l.		Italy	EUR	100.00	39.9687%	Nextchem S.p.A.	51%
Stamicarbon B.V.		Netherlands	EUR	9,080,000	78.37%	Nextchem Holding S.p.A.	100%
Stamicarbon USA Inc		USA	USD	5,500,000	78.37%	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 Ida		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%



Consolidated companies	Location/Country	Currency	Share capital	% Group	Through:	
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%
					Tecnimont S.p.A.	99%
OOO MT Russia	Russia	RUB	18,000,000	100%	TPI Tecnimont Planung und Industrieanlagenbau GmbH	1%
Tecnimont Limited	India	INR	13,968,090	100%	Tecnimont S.p.A.	100%
Tecni and Metal Private Limited	India	INR	81,523,500	51%	Tecnimont Limited	Private
					Tecnimont S.p.A.	51%
					Tecnimont S.p.A.	99.34%
Tecnimont do Brasil Ltda.	Brazil	BRL	606,790,396	100%	TPI Tecnimont Planung und Industrieanlagenbau GmbH	0.66%
					Tecnimont S.p.A.	99.99%
Tecnimont E&I (M) Sdn Bhd	Malaysia	MYR	28,536,679	100%	TPI Tecnimont Planung und Industrieanlagenbau GmbH	0.01%
					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 S.p.A.	99.99%
Tecnimont Mexico SA de CV	Mexico	MXN	51,613,880	100%	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 S.p.A.	70%
Tecnimont-KT JV S.r.l.	Italy	EUR	15,000	100%	KT S.p.A.	30%
	Azerbaijan	AZN	170,010	100%	Tecnimont S.p.A.	70%



Consolidated companies	Location/Country	Currency	Share capital	% Group	Through:	
Tecnimont-KT Azerbaijan LLC	JV				KT S.p.A.	30%
Tecnimont Philippines Inc.	Philippines	PHP	10,002,000	100%	Tecnimont S.p.A.	100%
Met NewEN Mexico SA de CV	Mexico	MXN	4,200,000	100%	Tecnimont 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%
SE.MA. Facilities S.r.l.	Global Italy	EUR	10,000	100%	MST S.p.A.	100.0%
BiOne S.r.l.	Italy	EUR	10,000	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 Emirates	Arab AED	-	32%	MST S.p.A.	32%
UTE Cadereyta(*)	Hidrogeno Spain	EUR	6,000	43%	KT S.p.A.	43%
Unincorporated Philippines (*)	JV 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.





## 22. Notes to the income statement

### 22.1. Revenues

Revenues from contracts with clients in H1 2023 amounted to Euro 1,958,387 thousand, an increase of Euro 385,206 thousand compared to the same period of the previous year, and were broken down as follows:

<i>(in Euro thousands)</i>	H1 2023	H1 2022
Revenues from sales and services	56,088	124,585
Changes in contract work-in-progress	1,902,299	1,448,596
<b>Total</b>	<b>1,958,387</b>	<b>1,573,181</b>

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. 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 Maire Tecnimont Group in H1 2023 reported revenues of Euro 1,958.4 million, up 24.5% on H1 2022, thanks to the progress of the projects towards stages with higher volumes.

Specifically, the account “change in contract work-in-progress”, used to account for long-term revenues in progress, also rose in H1 2023 by Euro 453,702 thousand. “Revenues from sales and services”, which mainly includes the revenues from the orders concluded in 2023 whose invoicing is complete, saw a reduction. The account includes also the revenues of MyReplast Industries S.r.l., a plastics mechanical recycling enterprise, and revenues for maintenance and facility management services;

On this basis, most revenues were generated by the “Integrated E&C Solutions” business unit, accounting for approx. 94% (94.4% in H1 2022) of Group revenues, increasing on the same period of the previous year in absolute terms of consolidated volumes, thanks to the progression of the projects to phases which present higher volumes, although decreasing as a percentage in view of the growth of the “Sustainable Technology Solutions” BU’s operations.

The main production volumes of the “Integrated E&C Solutions” BU concern the Port Harcourt Refinery projects in Nigeria, the EPC Borouge 4 project, Agic in Saudi Arabia, Paraxylene in India and INA-Industrija Nafta in Croatia.

Finally, the “Sustainable Technology Solutions” BU accounted for approx. 6% (5.6% in H1 2022) of revenues, up 30.2% on the same period of the previous year due to the continual growth of solutions to support the energy transition, in addition to the technology agreements signed with a number of Italian and overseas counterparties, and finally the contribution of the newly-acquired company Conser S.p.A., consolidated from January 2023.



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 June 30, 2023, the contractual obligations to be fulfilled by the Group (residual backlog) amounted to approx. Euro 9,045 million (Euro 8,614 million at December 31, 2022); the Group expects to recognize these amounts to revenues in future periods in line with the industrial plan forecasts.

## 22.2. Other operating income

“Other Operating Income” in H1 2023 amounted to Euro 7,330 thousand, reducing Euro 34,904 thousand on the previous year and relate to:

<i>(in Euro thousands)</i>	H1 2023	H1 2022
Operating currency differences	(0)	32,707
Prior year income	360	2,333
Use doubtful debt provision	97	43
Use of other risk provisions	31	0
Revenues from material sales	684	0
Contract penalties	812	442
Gains on disposals	535	103
Currency derivative gains	0	3,368
Insurance indemnities	264	1,034
Other income	4,548	2,205
<b>Total</b>	<b>7,330</b>	<b>42,234</b>

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

The main reduction on the same period of the previous year relates to “Operating currency differences”, which in the first half of 2022 represented the net positive difference between gains and losses on operating exchange differences. The decrease is due to forex market movements and of the currencies regarding projects and the various financial statements items, which in the previous year saw the Dollar strengthen significantly against the Euro; in the first half of 2023, operating exchange differences were negative and classified to “Other Operating expenses”.



“Currency derivative gains”, concerning cash flow hedges on Group contractual commitments, principally hedging payments in foreign currencies impacting the income statement in the period, were also negative in the first half of 2023 and classified to “Other operating expenses”.

“Prior-year income”, in the amount of Euro 360 thousand, mainly concerns other revenues not related to contracts;

“Insurance indemnities” of Euro 264 thousand refer to income recognized following an insurance payout made in the period;

“Revenues from Material sales” of Euro 684 thousand concern the income from the sale of residual site materials on the conclusion of certain orders;

The other accounts refer mainly to disposal gains, releases of the doubtful debts provision, miscellaneous reimbursements and reimbursements of tax rebates and other income.

### 22.3. Business segment information

#### **INTRODUCTION**

Maire Tecnimont S.p.A. heads an integrated industrial group providing engineering services and large works in various sectors on the domestic and international markets.

The BU figures are in line with the new 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 June 30, 2023.

In the fourth quarter of 2022, the Group launched an industrial reorganization 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”.

The features of these sectors are outlined below:

- I. **Sustainable Technology Solutions (STS)**: in which all of NextChem Holding’s sustainable technology solutions are concentrated, as well as high value-added services aimed primarily at the energy transition. This business unit, given its technological nature, expresses low volumes but with significantly high margins, also accompanied by a low level of risk.
- II. **Integrated E&C Solutions (IE&CS)**: covering the general contractor executive responsibilities and all typical EPC (Engineering, Procurement and Construction) project activities and synergies on projects with integrated technologies and processes. Given the nature of these activities, high volumes for this business unit are expected and margins in line with the average for EPC contracts. This BU may provide services or operate in partnership with the “STS” BU, given the growing demand for investments with sustainability features.



Both BUs focus on four distinct industry clusters of interest to the Group, namely: 1) Nitrogen Fertilizers; 2) Hydrogen and Circular Carbon Solutions; 3) Fuels and Chemicals; and 4) Polymers, where, the Group's executive expertise in the traditional areas of operation of the IE&CS BU are complemented by the know-how for optimization of conventional technologies and development of new sustainable technologies and solutions of the STS BU.

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 H1 2023 key financial highlights by Business Unit (compared to the same period of the previous year) are reported below, although restated according to the new reporting used from the beginning of 2023 also in order to facilitate the financial market's understanding of the evolution of the operating/financial performance:

The segment disclosure is therefore presented in the following tables:

#### H1 2023 SEGMENT REVENUES AND RESULT:

<i>(in Euro thousands)</i>	Revenues		Segment result (EBITDA)	
	H1 2023	H1 2022	H1 2023	H1 2022
Integrated E&C Solutions	1,848,318	1,525,255	95,362	80,201
Sustainable Technology Solutions	117,400	90,160	25,580	17,232
<b>Total</b>	<b>1,965,718</b>	<b>1,615,415</b>	<b>120,943</b>	<b>97,433</b>

**H1 2023 SEGMENT INCOME STATEMENT:**

<i>(in Euro thousands)</i>	Integrated E&C Solutions	Sustainable Technology Solutions	Total
Segment revenues	1,848,318	117,400	1,965,719
<b>Industrial margin (Business Profit)</b>	<b>133,629</b>	<b>32,999</b>	<b>166,628</b>
<b>Segment result (EBITDA)</b>	<b>95,362</b>	<b>25,580</b>	<b>120,943</b>
Amortization, depreciation, write-downs and provisions	0	0	(26,166)
<b>EBIT</b>	<b>95,362</b>	<b>25,580</b>	<b>94,776</b>
Financial income/(expenses)			(17,416)
<b>Income before tax</b>			<b>77,361</b>
Income taxes			(23,374)
<b>Net income</b>			<b>53,987</b>
Group			51,568
Minorities			2,419

**H1 2023 SEGMENT INCOME STATEMENT:**

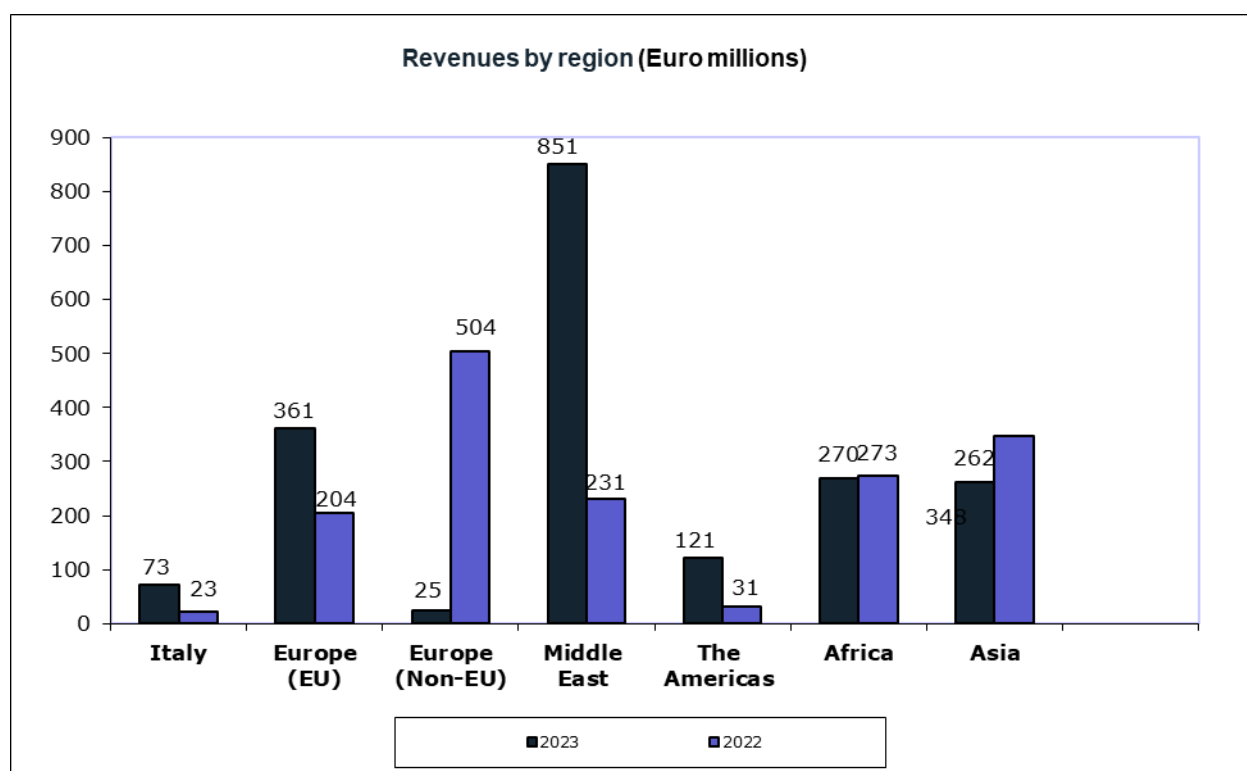
<i>(in Euro thousands)</i>	Integrated E&C Solutions	Sustainable Technology Solutions	Total
Segment revenues	1,525,255	90,160	1,615,415
<b>Industrial margin (Business Profit)</b>	<b>114,191</b>	<b>23,628</b>	<b>137,819</b>
<b>Segment result (EBITDA)</b>	<b>80,201</b>	<b>17,232</b>	<b>97,433</b>
Amortization, depreciation, write-downs and provisions	0	0	(25,732)
<b>EBIT</b>	<b>80,201</b>	<b>17,232</b>	<b>71,700</b>
Financial income/(expenses)			(13,721)
<b>Income before tax</b>			<b>57,979</b>
Income taxes			(17,371)
<b>Net income</b>			<b>40,609</b>
Group			42,173
Minorities			(1,565)



## REGIONAL SEGMENTS

The regional breakdown of Revenues in H1 2023 compared to the previous year is illustrated below:

(in Euro thousands)	H1 2023		H1 2022		Change	
	Total	%	Total	%	Total	%
<b>Italy</b>	72,669	3.7%	23,196	1.4%	49,473	213.3%
<b>Overseas</b>						
· Europe (EU)	360,877	18.4%	203,931	12.6%	156,947	77.0%
· Europe (non-EU)	24,514	1.2%	504,417	31.2%	(479,904)	(95.1%)
· Middle East	850,838	43.3%	231,279	14.3%	619,560	267.9%
· The Americas	120,760	6.1%	30,690	1.9%	90,069	293.5%
· Africa	270,116	13.7%	273,277	16.9%	(3,161)	(1.2%)
· Asia	261,682	13.3%	347,894	21.5%	(86,211)	(24.8%)
· Other	4,262	0.2%	732	0.0%	3,530	na
<b>Total Consolidated Revenues</b>	<b>1,965,718</b>		<b>1,615,415</b>		<b>350,302</b>	<b>21.7%</b>



The above table indicates the percentage of revenues by region, reflecting the current development of activities. The revenue table indicates the significant recovery in the Middle East area following the development of projects, principally Borouge 4. Africa and the Americas also saw growth on the same period of the previous year on the basis of the projects under execution.





Asia, and particularly India, saw a reduction related to the very advanced stage of the main Indian projects, which in the previous year significantly affected the Group's activity. In addition, non-EU (mainly Russia) activities were substantially absent as a result of the development of European sanctions which have been applied since the beginning of the crisis in 2022 until the current period and which resulted in the suspension and/or cancellation of in-country projects.

#### 22.4. Raw materials and consumables

Raw materials and consumables for H1 2023 amount to Euro 809,794 thousand, an increase of Euro 108,742 thousand compared to the previous year.

The breakdown of the account is as follows:

<i>(in Euro thousands)</i>	H1 2023	H1 2022
Raw material purchases	(805,696)	(695,329)
Consumables	(3,637)	(5,286)
Fuel	(461)	(437)
Change in inventory	0	0
<b>Total</b>	<b>(809,794)</b>	<b>(701,052)</b>

More specifically, "raw material purchases" in H1 2023 increased by Euro 110,367 thousand as a result of an increase in material purchases during the period for contracts obtained in previous years and for which we saw the launch of full operations and procurements. 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.

"Consumable materials" were impacted by lower general and office material requirements, after the significant recovery of consumption in the previous year; "Fuels" were substantially in line with the comparative period.



## 22.5. Service costs

Service costs in H1 2023 amounted to Euro 675,549 thousand, an increase of Euro 151,931 thousand compared to the same period of the previous year. The breakdown of the account is as follows:

(in Euro thousands)	H1 2023	H1 2022
Sub-contractors	(434,195)	(286,271)
Turnkey design	(74,337)	(101,348)
Cost recharges	(1,454)	(2,586)
Utilities	(8,386)	(9,888)
Transport Costs	(35,521)	(29,672)
Maintenance	(6,952)	(5,038)
Consultants and related services	(22,764)	(17,571)
Increase in internal work capitalized	10,906	8,352
Bank expenses and sureties	(23,071)	(18,932)
Selling & advertising costs	(13,371)	(5,849)
Accessory personnel costs	(22,087)	(19,549)
Post & telephone and similar	(192)	(307)
Insurance	(11,452)	(8,490)
Other	(32,672)	(26,469)
<b>Total</b>	<b>(675,549)</b>	<b>(523,618)</b>

The general movement in “service costs” reflects the development of projects in portfolio and the progression of on-site operations, particularly on construction for the projects acquired in recent years; recent order intake 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 increase compared to the previous year (Euro 147,924 thousand), mainly due to construction phase sub-contract costs, increasing due to the reasons outlined above.

The “Turnkey design” item however, relating to the use of third parties for engineering activities, decreased as the recently acquired orders have not yet entered into full operation and the relative initial study and design phases and the other orders are in the procurement and construction phase.



“Transport costs” increased on the same period of 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 due to the greater average size of the workforce compared to the previous year, and due to the general restart of operations and the journeys related to commercial and on-site activities.

“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. The figure increased based on the greater activities carried out by the Group covered by bank and insurance guarantees.

All the other costs are substantially in line with or slightly increased on the same period of 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.

## 22.6. Personnel expense

Personnel expense in H1 2023 amounted to Euro 286,617 thousand, an increase of Euro 43,917 thousand compared to the same period of the previous year.

The breakdown of the account is as follows:

<i>(in Euro thousands)</i>	H1 2023	H1 2022
Wages and salaries	(224,152)	(182,955)
Social security expenses	(46,341)	(45,537)
Post-employment benefits	(10,051)	(8,899)
Other costs	(6,072)	(5,309)
<b>Total</b>	<b>(286,617)</b>	<b>(242,700)</b>

The expansion of the workforce continued in the first half of 2023, which numbered 7,016 at June 30, 2023, and therefore increasing on the previous year by 565 (+9%), following 1,106 hires, which extensively offset the 540 departures in the period.

The geographical areas most affected by this increase are:

- India, Mongolia, South East and rest of Asia, Australia (+273), with the hiring of more than 400 personnel at the Indian subsidiary TCMPL alone, confirming the objectives of the recent opening of the new operating offices in Mumbai (Mumbai Airoli) in order to support the forecast personnel demands associated with the EPC projects in the Middle East;
- Italy & Rest of Europe (+171), of which 160 in Italy, mainly due to hiring at the Italian subsidiaries Tecnimont (+108) and KT Kinetics Technology (+43).



We in addition report in the period, with regards to the newly-established Sustainable Technology Solutions (STS) Business Unit: (i) the completion of the acquisition by the parent company, through the subsidiary NextChem Holding, of an 83.5% holding in Conser S.p.A., a proprietary technology and process engineering enterprise based in Rome which, at the date of this report, employs 21 and (ii) the acquisition, by the subsidiary NextChem, of 51% of MyRemono S.r.l., a company into which Biorenova S.p.A. transferred its patents, assets, including a pilot plant, in addition to contracts related to CatC, an innovative catalytic plastic depolymerization technology.

The increase in the Rest of Europe mainly related to the Tecnimont Branch in Portugal (+18), for the ALBA project with the client Repsol, and to the Belgian branch (+16), in support of the projects with the clients Covestro and Borealis in the Antwerp area. We in addition highlight the expansion at the Dutch subsidiary Stamicarbon (+11).

- The Middle East saw an approx. 72% increase on the end of the previous year (+163 personnel), mainly relating to the Borouge 4 project and for initial construction activities, in addition to the opening of the Tecnimont Branch in Qatar, in support of the petrochemical project with the Joint Venture QatarEnergy-Chevron Phillips.
- North Africa and Sub-Saharan Africa, with new hires to support the revamping project of the Port Harcourt refinery in Nigeria.
- America, with the 11% workforce expansion related to the hiring of personnel for the renewable energy projects in Chile.

On the other hand, the Central Asia, Caspian & Turkey Region workforce contracted by 15% on the end of 2022, due to the gradual conclusion of activities on the Russian Federation projects.

At June 30, 2023, 72% of the total MAIRE Group workforce were university graduates. There were 3,725 engineers at that date – of which 668 hired in the period, and more than 50% of which in India, accounting for 74% of total university graduates. This percentage confirms the company's investment in consolidating the Group's technical expertise.

The average age was approx. 43 and 26% of new hires (approx. 290 personnel in the period) were under 30. At 35 years old, this reaches 45% for a total of approx. 500 personnel, reflecting the policy to develop young talent.

The commitment to strengthen the female component of the workforce is confirmed, with the application of gender equality criteria in the hiring process. In terms of gender composition, females account for approx. 20% of the Group workforce, of which approx. 40% technical subject graduates (including engineering).

The workforce at 30/06/2023 of the Maire Tecnimont Group, with movements (by qualification and region) on 31/12/2022. The table below outlines the workforce by areas of effective engagement at 30/06/2023 and 31/12/2022, with the relative movements.



## Change in workforce by category (31/12/2022 - 30/06/2023):

Category	Workforce 31/12/2022	Hires	Departures	Reclassification employee category (*)	Workforce 30/06/2023	Cge. Workforce 30/06/2023 vs. 31/12/2022
Executives	658	19	(22)	60	715	57
Managers	2,513	293	(148)	15	2,673	160
White-collar	3,064	769	(322)	(75)	3,436	372
Blue-collar	216	25	(48)	(1)	192	(24)
<b>Total</b>	<b>6,451</b>	<b>1,106</b>	<b>(540)</b>	<b>(1)</b>	<b>7,016</b>	<b>565</b>
<b>Average headcount</b>	<b>6,457</b>				<b>6,779</b>	<b>322</b>

(\*) 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 (31/12/2022 – 30/06/2023):

Region	Workforce 31/12/2022	Hires	Departures	Reclassification employee category (*)	Workforce 30/06/2023	Cge. Workforce 30/06/2023 vs. 31/12/2022
Italy & Rest of Europe	3,403	423	(245)	(7)	3,574	171
Central Asia, Caspian and Turkey	410	33	(92)	(2)	349	(61)
India, Mongolia, South East and rest of Asia, Australia	2,099	424	(157)	6	2,372	273
The Americas	46	11	(6)	0	51	5
Middle East	227	174	(14)	3	390	163
North Africa and Sub-Saharan Africa	266	41	(26)	(1)	280	14
<b>Total</b>	<b>6,451</b>	<b>1,106</b>	<b>(540)</b>	<b>(1)</b>	<b>7,016</b>	<b>565</b>

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



## Changes in workforce by operational region (31/12/2022 – 30/06/2023):

Region	Workforce 31/12/2022	Workforce 30/06/2023	Cge. Workforce 30/06/2023 vs. 31/12/2022
Italy & Rest of Europe	3,154	3,329	175
Central Asia, Caspian and Turkey	567	488	(79)
India, Mongolia, South East and rest of Asia, Australia	2,006	2,241	235
The Americas	56	60	4
Middle East	290	521	231
North Africa and Sub-Saharan Africa	378	377	(1)
<b>Total</b>	<b>6,451</b>	<b>7,016</b>	<b>565</b>

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 same period of the previous year. In this regard, it should be noted that the average workforce for the first half of 2023 numbered 6,779 employees, compared to 6,450 in the same period of the previous year (+322 personnel). We in addition indicate a resumption of the remuneration policies in 2023, in particular the LTI plan for the 2022-2024 three-year period (2022-2024 LTI Plan), in order to ensure the continued growth of the sustainable value pursued in previous years, not yet introduced in the first half of 2022.

We note that, in light of the prevailing inflation rates, and as a measure to support the income of MAIRE Group employees, Company Management made the decision – after notifying the Trade Union Representatives – not to absorb the economic increases outlined in the Collective Bargaining Agreements for the Metal and Chemical sectors that were due for 2023.

During the period under review, the objectives related to the previously activated incentives and engagement systems were verified and a portion of annual bonuses (MBOs), profit sharing for 2022, 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 Third Cycle (2022) performance objectives included in the ordinary 2020-2022 General Share Plan, the Board of Directors met on March 1 to approve the allocation of shares to more than 4,000 beneficiaries by the end of July.

In H1 2023, "Personnel expense" includes also the portion accruing in the year of the new long-term incentive plan for the Chief Executive Officer and selected Senior Executives (2021-2023 LTI) and the LTI relating to the 2022-2024 three-year period (2022-2024 LTI 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 overall cost of the above plans for the first half of 2023 was Euro 5,170 thousand, against accruals for the first half of 2023 of Euro 5,520 thousand and releases following the departure of employees for Euro 350 thousand. Based on the fair value of the equity instruments of Euro 3.726 per share for the 2021-2023 LTI and Euro 2.554 per share for the 2022-2024 LTI.





"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 2023.

## 22.7. Other operating expenses

Other operating expense in H1 2023 amount to Euro 72,815 thousand, an increase of Euro 22,202 thousand compared to the same period of the previous year. The breakdown of the account is as follows:

(in Euro thousands)	H1 2023	H1 2022
Contractual penalties	(0)	(11,642)
Rental	(5,918)	(5,997)
Hire	(11,913)	(10,480)
Currency derivative losses	(1,615)	(1,299)
Losses on receivables	(2,434)	(1,957)
Exchange rate differences	(32,696)	0
Other costs	(18,239)	(19,238)
<b>Total</b>	<b>(72,815)</b>	<b>(50,613)</b>

The main increase on the previous year related to "Operating currency differences", which represent the net negative value between exchange gains and losses from operating currency differences; at June 30, 2022, net operating currency gains were reported.

The account "Rentals" 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 item was substantially in line with the previous year.

The account "Hire" increased on the same period of the previous year due to the increased number of visits and journeys by personnel and the associated increased costs for on-site operations. This 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 initiatives and also some disputes closed in the period.

"Contractual penalties" decreased, as last year essentially relating to a charge following a dispute concluded in the first half of 2022.

"Other costs", substantially in line with 2022, 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.



## 22.8. Amortization, depreciation & write-downs

Amortization, depreciation and write-down of fixed assets in H1 2023 amounted to Euro 24,761 thousand, an increase of Euro 1,009 thousand on the same period of the previous year, as a result of increased depreciation of rights-of-use-leasing.

The breakdown of the account is as follows:

<i>(in Euro thousands)</i>	H1 2023	H1 2022
Amortization	(8,646)	(8,981)
Depreciation	(2,782)	(2,812)
Depreciation of rights-of-use - Leasing	(13,333)	(11,960)
Other fixed asset write-downs	0	0
<b>Total</b>	<b>(24,761)</b>	<b>(23,753)</b>

Amortization of intangible assets principally refers to:

- amortization of development costs of Euro 54 thousand, relating to the development of software and simulators for plants of the acquired company Protomation, now merged into Stamicarbon B.V. and other developments related to the newly-acquired Conser S.p.A.;
- amortization of patent rights, amounting to Euro 1,098 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 548 thousand and principally relating to Group software license applications;
- amortization of other intangible assets of Euro 3,396 thousand. 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 item also includes the amortization of the "Birillo" University Campus concession initiative of the University of Florence of the subsidiary Birillo 2007 Scarl;
- amortization of the contractual costs, equal to Euro 3,550 thousand; "Contractual costs" include costs for the obtaining of contracts and contract fulfillment costs, as per IFRS 15 which stipulates the capitalization of costs to obtain the contract, considered as 'incremental', and costs incurred to fulfil the contract which enable the entity to make use of new or greater resources to satisfy performance obligations in future ('pre-production costs'). These capitalized costs are amortized based on the advancement of the work on the contract.

Depreciation of property, plant and equipment principally refers to:

- depreciation of own buildings for Euro 146 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 798 thousand and industrial equipment for Euro 129 thousand (assets supporting site operations); they principally relate the plant of



MyReplast Industries S.r.l. (the company that manages an advanced mechanical plastics recycling facility located in Bedizzole, in the province of Brescia);

- depreciation of Euro 1,708 thousand on other assets, office furniture, leasehold improvements, EDP, motor vehicles and industrial transport vehicles;

The depreciation of right-of-use - leasing of Euro 13,333 thousand, with an increase of Euro 1,373 thousand on the same period of the previous year, following the new contracts signed at the end of 2022 which began depreciation in the first half of 2023, 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.

## 22.9. Doubtful debt provision and risk provisions

The doubtful debt provision and the risks provisions for the first half of 2023 amount to Euro 1,405 thousand, decreasing by Euro 575 thousand on the same period of the previous year.

The breakdown of the account is as follows:

(in Euro thousands)		H1 2023	H1 2022
Doubtful debt provision		(1,405)	(1,980)
Risk provision		0	0
<b>Total</b>		<b>(1,405)</b>	<b>(1,980)</b>

The doubtful debt provision in the year amounted to Euro 1,405 thousand, decreasing on the previous year.

The account, although reducing, in the first half of 2023 was again impacted by the economic-financial turbulence related to the Russia-Ukraine crisis and the rising interest rates which impacted the financial rating of a number of clients, resulting in a deterioration of counterparty risk with consequent impacts on the valuations of financial assets. In addition, at June 30, 2023, the receivable balance was higher than the same period of the previous year, with further repercussions in terms of increased 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 and in quantifying expected losses at the closure date.



## 22.10. Financial income

(in Euro thousands)		H1 2023	H1 2022
Income from associates		22	20
Other income		10,270	7,909
Income on derivatives		5,596	5,702
<b>Total</b>		<b>15,889</b>	<b>13,631</b>

Financial income amounted to Euro 15,889 thousand and increased Euro 2,257 thousand compared to the same period of the previous year, mainly due to greater interest income recorded on liquidity.

"Income from associates" for Euro 12 thousand concerns interest from the associate JV Kazakhstan Tecnimont-KTR LLP, incorporated to develop initiatives in Kazakhstan and for Euro 10 thousand from 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 same period of the previous year due to the higher average interest applied on funds held compared to the previous year.

Income on derivatives for Euro 5,596 thousand refer specifically to:

- for Euro 216 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 4,082 thousand refer to the positive 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 at June 30, 2023 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 the TRES income relates to the strong performance and the recovery of the Maire Tecnimont share over the first half of 2023, following the market uncertainties of the previous year related to the international tension stemming from the Russia-Ukraine crisis, which had a negative impact on the share price, although constantly improving over the quarters of 2022;
- for Euro 1,298 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.



## 22.11. Financial expenses

(in Euro thousands)	H1 2023	H1 2022
Other charges	(25,947)	(16,135)
Interest/Other Bond Charges	(3,177)	(2,467)
Charges on derivatives	(2,275)	(6,470)
Right-of-use financial expenses - Leasing	(2,777)	(2,215)
<b>Total</b>	<b>(34,176)</b>	<b>(27,287)</b>

Financial expenses amounted to Euro 34,176 thousand and increased Euro 6,889 thousand compared to the same period of the previous year, principally due to the general increase in the financial expenses on the Group's financial liabilities.

"Other charges", amounting to Euro 25,947 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 on the previous year is related to the slightly higher gross debt and the general increase in market interest rates, which impacted the Group's financial liabilities in terms of the portion of the variable rate debt.

The "Interest Bond" charges, amounting to Euro 3,177 thousand, increased compared to the same period of the previous year, essentially due to the greater use of the Euro Commercial Paper program and specifically concern:

- for Euro 2,354 thousand (Euro 2,348 thousand at June 30, 2022) 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 823 thousand (Euro 119 thousand at June 30, 2022) interest related to the Euro Commercial Paper Program.

Charges on derivatives of Euro 2,275 thousand concern 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);

Right-of-use - Leasing financial expense at Euro 2,777 thousand concerns the financial expense matured in H1 2023 on finance lease liabilities recognized following the application of IFRS 16; the increase on the same period of the previous year is mainly due to the average increase in financial liabilities on which interest matures, as a result of new contracts entered into at the end of 2022, becoming operative in H1 2023, and a general increase in the rates implied in the contracts.



## 22.12. Investment income/(expenses)

(in Euro thousands)	H1 2023	H1 2022
Income from investments in other companies	883	0
Revaluations/(Write-downs) associates	(297)	(60)
Revaluations/(Write-downs) other companies	0	(2)
Revaluations/(Write-downs) current securities	286	(4)
<b>Total</b>	<b>872</b>	<b>(65)</b>

Net investment income amounts to Euro 872 thousand, an increase of Euro 937 thousand compared to the same period of the previous year.

Income from investments in other companies totaling Euro 883 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 163 thousand;
- the equity investment in G.C.B. General Trading Ltd decreased by Euro 46 thousand;
- the Tecnimont KZ LLP JV in Kazakhstan negative valuation for Euro 88 thousand.

"Revaluations of securities" amounted to Euro 286 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 23.15 "Other current financial assets".

## 22.13. Income taxes

(in Euro thousands)	H1 2023	H1 2022
Current income taxes	(13,442)	(24,140)
Prior year taxes	(497)	174
Deferred tax income	4,108	6,667
Deferred tax charges	(13,544)	(72)
<b>Total</b>	<b>(23,374)</b>	<b>(17,371)</b>
<b>TAX RATE</b>	<b>-30.2%</b>	<b>-30.0%</b>





Estimated income taxes amount to Euro 23,374 thousand, an increase of Euro 6,003 thousand, mainly due to higher pre-tax income compared to the same period of the previous year, driven by the operating performance in 2023.

The effective tax rate was approx. 30.2%, substantially in line with the average tax rate reported for the preceding quarters and based on the various localities in which Group operations are carried out.

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 period on temporary changes deductible in future periods, mainly on provisions for future personnel-related expenses and unrealized foreign exchange losses during 2023; the deferred tax charge refers to temporary differences that will be taxable in future periods mainly related to unrealized foreign exchange gains during 2023 and due to differences in the accounting standard, mainly in relation to the residual activities of the subsidiary MT Russia.

## 22.14. Earnings per share

The share capital of Maire Tecnimont S.p.A. is represented by ordinary shares, whose earnings per share is calculated dividing the Group net income in H1 2023 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 767,087 treasury shares, the number of shares in circulation was 327,873,335. This figure was used as the denominator for the calculation of the earnings per share at June 30, 2023.

Basic earnings per share, net of treasury shares, amounts to Euro 0.157 and up on the same period of the previous year, essentially as a result of higher net income for the year, primarily due to increased volumes and strong financial management in the period.

Diluted earnings equate to basic earnings in the absence of dilutive elements.

(in Euro)	H1 2023	H1 2022
Number of shares in circulation	328,640,432	328,640,432
(Treasury shares)	(767,097)	(1,175,566)
Number of shares to calculate earnings per share	327,873,335	327,464,866
Group net income	51,567,709	42,173,233
Earnings per share (Euro)		
<b>Group basic earnings per share</b>	<b>0.157</b>	<b>0.129</b>
<b>Group diluted earnings per share</b>	<b>0.157</b>	<b>0.129</b>



## 23. Notes to the Balance Sheet

### 23.1. Property, plant and equipment

<i>(in Euro thousands)</i>	31-12-2022	Changes in year	30-06-2023
Land	2,910	(11)	2,899
Buildings	24,210	590	24,800
Plant & machinery	6,409	(429)	5,980
Assets in progress and advances	523	109	632
Industrial & commercial equipment	1,446	(816)	630
Other assets	8,585	2,938	11,523
<b>Total</b>	<b>44,084</b>	<b>2,381</b>	<b>46,465</b>

The changes in the half-year mainly refer to depreciation in the period, net of a number of acquisitions, and the completion of works related to owned and leased property improvements:

The principal changes related to:

- Land, with a net decrease of Euro 11 thousand, due to the conversion of amounts in foreign currencies;
- Buildings, with a net increase of Euro 590 thousand, for improvements mainly in terms of the building of the Indian subsidiary Tecnimont Private Limited, also as a result of the expansion of the local workforce;
- Plant and machinery, with a net decrease of Euro 429 thousand, principally due to depreciation in the period;
- Industrial and commercial equipment, with a net decrease of Euro 816 thousand, due to the depreciation in the period;
- Other assets, with a net increase of Euro 2,938 thousand, mainly concern the completion of leased factory improvements, the acquisition of furniture for offices and EDP, mainly in relation to the opening of the new office in London by the Group, which will improve the capacity to support the expanding global operations, in line with the Group's ten-year strategic plan.
- Fixed assets in progress, amounting to Euro 632 thousand, mainly refers to leasehold restructuring works which have not yet been completed.



## 23.2. Goodwill

<i>(in Euro thousands)</i>	31-12-2022	Changes in year	30-06-2023
Goodwill	295,368	41,349	336,718
<b>Total</b>	<b>295,368</b>	<b>41,349</b>	<b>336,718</b>

This item, amounting to Euro 336,718 thousand, increased by Euro 41,349 thousand in the first half of 2023.

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 in 2019 of Protomation B.V.;
- For Euro 1,036 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.
- For Euro 35,746 thousand concerning the acquisition in 2023 of Conser S.p.A., whose gain was temporarily allocated to goodwill. For further details, reference should be made to the "Consolidation scope" section;
- For Euro 5,615 thousand concerning the acquisition in 2023 of MyRemono S.r.l., whose gain was temporarily allocated to goodwill. For further details, reference should be made to the "Consolidation scope" section.

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.

In the fourth quarter of 2022, the Group launched an industrial reorganization 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"), which relate to the two new "CGUs" and 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".

The features of these CGU's are outlined below:

- I. **Sustainable Technology Solutions (STS):** in which all of NextChem Holding's sustainable technology solutions are concentrated, as well as high value-added services aimed primarily at the energy transition. This CGU, given its technological nature, expresses low volumes but with significantly high margins, also accompanied by a low level of risk.
- II. **Integrated E&C Solutions (IE&CS):** covering the general contractor executive responsibilities and all typical EPC (Engineering, Procurement and Construction) project activities and synergies on projects with integrated technologies and processes. Given the nature of these activities, high volumes for this business unit are expected and margins in line with the average for EPC contracts. This CGU may provide services or operate in partnership with the "STS" CGU, given the growing demand for investments with sustainability features.

Both CGU's focus on four distinct industry clusters of interest to the Group, namely: 1) Nitrogen Fertilizers; 2) Hydrogen and Circular Carbon Solutions; 3) Fuels and Chemicals; and 4) Polymers, where, the Group's executive expertise in the traditional areas of operation of the IE&CS CGU are complemented by the know-how for optimization of conventional technologies and development of new sustainable technologies and solutions of the STS CGU.

A summary is presented below of the values of the goodwill allocated by segment, whereby compared to December 31, 2022, following the Group industrial reorganization in the period, the previous "Hydrocarbons" and "Infrastructure" CGU's were merged and incorporated into the new "Integrated E&C Solutions (IE&CS)" CGU, while the "Licensing" CGU and the "Green Energy" CGU were merged into the new "Sustainable Technology Solutions (STS)" CGU:

<i>(in Euro thousands)</i>	31-12-2022	Changes in year	30-06-2023
Hydrocarbons	276	(276)	0
Infrastructure	14	(14)	0
<b>Integrated E&amp;C Solutions</b>	<b>0</b>	<b>291</b>	<b>291</b>
Green Energy	1	(1)	0
Licensing	3	(3)	0
<b>Sustainable Technology Solutions</b>	<b>0</b>	<b>46</b>	<b>46</b>
<b>Total</b>	<b>295</b>	<b>41</b>	<b>337</b>



The recoverability of the goodwill and of the other intangible and tangible fixed assets is verified at least once a year also in the absence of indicators of loss in value. The recoverable value of the cash-generating units, whose individual goodwill were allocated, was determined through the determination of the value in use, considered as the present value of the expected cash flows, utilizing an interest rate which reflects the specific risks of the individual cash-generating units at the valuation date.

During the period the market and operational indicators identified by the Group did not indicate the necessity to undertake "impairment tests" on the goodwill recognized.

### 23.3. Other intangible assets

<i>(in Euro thousands)</i>	31-12-2022	Changes in year	30-06-2023
Development costs	186	30	215
Patent rights	24,817	(1,009)	23,807
Concessions, licenses, trademarks and similar rights	1,951	194	2,145
Other	36,275	(2,027)	34,248
Assets in progress and advances	32,534	9,799	42,332
Contractual costs	14,562	2,471	17,033
<b>Total</b>	<b>110,324</b>	<b>9,457</b>	<b>119,781</b>

The value of the other intangible assets at June 30, 2023 amounted to Euro 119,781 thousand, with an increase of Euro 9,457 thousand compared to December 31, 2022; this increase mainly derives from the combined effect of technological investments and development, new software, net of amortization for the period.

The principal changes in the year related to:

- Development costs, with a net increase of Euro 30 thousand, mainly due to the change in the consolidation scope related to the newly-acquired Conser S.p.A., net of amortization in the period;
- Patent rights, with a net decrease of Euro 1,009 thousand, with the changes concerning amortization in the period, net of the new technologies and intellectual property rights (patents and licenses) developed by the Maire Tecnimont Group (primarily Stamicarbon B.V and the NextChem Group);
- Concessions, licenses and trademarks, with a net increase of Euro 194 thousand, mainly due to the 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. The decreases mainly related to the amortization in the period;
- Other Intangible Assets, with a total net decrease of Euro 2,027 thousand, mainly due to amortization in the period. 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 9,799 thousand; the account mainly includes the ongoing development of new technologies and initiatives of the NextChem Holding Group and costs for 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.
- “Contractual costs”, equal to Euro 17,033 thousand and with a net increase of Euro 2,471 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.

#### 23.4. Right-of-use – Leasing

<i>(in Euro thousands)</i>	31-12-2022	Changes in year	30-06-2023
Right-of-use - Leasing - Historical cost	206,589	7,258	213,847
(Right-of-use - Leasing - Accumulated depreciation)	(73,563)	(5,523)	(79,086)
<b>Total</b>	<b>133,027</b>	<b>1,734</b>	<b>134,761</b>

The value of Right-of-use recognized according to IFRS 16 at June 30, 2023 was Euro 134,761 thousand, increasing on December 31, 2022 by Euro 1,734 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.





## 23.5. Investments in associates and Joint Ventures

<i>(in Euro thousands)</i>	31-12-2022	Changes in year	30-06-2023
<b>Investments in associates:</b>			
• Studio Geotecnico Italiano	954	0	954
• MCM servizi Roma S.c.a.r.l. in liquidation	4	(4)	0
• Desimont Contracting Nigeria (*)	0	0	0
• JV TSJ Limited (*)	0	0	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.	12,416	0	12,416
• Tecnimont KZ LLP (*)	0	0	0
• Gulf Compound Blending Ind Ltd	261	(142)	119
• G.C.B. General Trading Ltd	210	(45)	165
• SMC S.c.a.r.l.	20	0	20
• Hazira Cryogenic Eng.&Cons Management Pvt. Ltd.	108	(1)	106
• FertigHy Iberia S.L.	0	500	500
<b>Total</b>	<b>13,988</b>	<b>307</b>	<b>14,296</b>

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

During H1 2023, the following changes took place in the investments held in associates and joint ventures following their valuation at equity, their results and/or the setting up of new operating entities:

- FertigHy Iberia was established, founded with other industrial and financial partners, which seeks to pave the way for the transition to low CO<sub>2</sub> emissions in the European fertilizer industry, all of which will be done through the construction, by 2025, of a plant dedicated to the production of millions of tons of green hydrogen per year; with a 14.30% stake undertaken by the Group and initial payment of Euro 500 thousand;
- the investment in Gulf Compound Blending Ind Ltd reports an overall decrease of Euro 142 thousand following the negative valuation at equity;
- the investment in G.C.B. General Trading Ltd also in this case registered a negative valuation at equity for Euro 45 thousand;
- the equity investment in MCM Servizi Roma S.c.a.r.l. lost Euro 4 thousand in value following completion of the liquidation process and cancellation of the investment;
- the equity investment in Hazira Cryogenic decreased by Euro 1 thousand as a result of currency effects.



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 2023, therefore, neither Biolevano nor other producers in the sector are benefitting from incentives (neither 1.3 nor 0.5), as the average price in 2022 was 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 above production costs.

The breakdown of associates and joint ventures is as follows:

Company	Location/	Currency	Share capital	% Group	Through:	%
Studio Geotecnico Italiano	ITA	EUR	1,550,000	46.086%	Tecnimont S.p.A.	46.086%
MCM servizi Roma S.c.a.r.l. in liquidation	ITA	EUR	12,000	33.33%	MST S.p.A.	33.33%
Desimont Contracting Nigeria	Nigeria	NGN	0	45%	Tecnimont S.p.A.	45%
JV TSJ Limited	Malta	USD	123,630	55.00%	Tecnimont S.p.A.	55.00%
Tecnimont Construction Co WLL-Qatar	Qatar	QAR	42,000	49%	MST S.p.A.	49%
HIDROGENO CADEREYTA – S.A.P.I. de C.V.	Mexico	MXN	10,000	40.70%	KT S.p.A.	40.70%
Biolevano S.r.l.	ITA	EUR	18,274,000	30.00%	Tecnimont S.p.A.	30.00%
Tecnimont KZ 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%
Fertighy Iberia S.L.	Spain	EUR	1,750,000	14.30%	Met Development S.p.A.	14.30%

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.



### 23.6. Financial instruments - Derivatives (Non-current assets)

<i>(in Euro thousands)</i>	31-12-2022	Changes in year	30-06-2023
Financial instruments - Currency hedging derivatives	317	(189)	129
Financial instruments - Interest rate hedging derivatives	3,991	(1,300)	2,691
<b>Total</b>	<b>4,308</b>	<b>(1,488)</b>	<b>2,820</b>

Non-current active derivative financial instruments at June 30, 2023 amount to Euro 2,820 thousand, a decrease of Euro 1,488 thousand compared to December 31, 2022 and concern the fair value measurement of the derivative contracts in force.

The account for Euro 129 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 concern the currency movements of the Dollar against the Euro in H1 2023, while some currency hedging instruments were also closed.

The interest rate derivatives, amounting to Euro 2,691 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 decrease in the positive fair-value is mainly related to the reclassification to short-term of some positions in the half-year, in line with the repayment schedule of the main loan.

### 23.7. Other non-current financial assets

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
<b>Equity investments:</b>			
Non-consolidated subsidiaries	79	0	79
Other companies	14,115	(683)	13,433
<b>Total Equity Investments</b>	<b>14,194</b>	<b>(683)</b>	<b>13,512</b>
Other financial assets	102,795	2,845	105,640
<b>Total Financial Receivables</b>	<b>102,795</b>	<b>2,845</b>	<b>105,640</b>
<b>Total</b>	<b>116,989</b>	<b>2,162</b>	<b>119,152</b>

The value of non-current financial assets included in the calculation of the net financial position is Euro 111,340 thousand and does not include the value of the strategic investment in Pursell Agri-Tech, LLC.

**INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES:**

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
<b>Investments in non-consolidated subsidiaries:</b>			
• Svincolo Taccone S.c.a.r.l. in liquidation	8	0	8
• Exportadora de Ingeniería y Servicios TCM SpA	68	0	68
• Consorzio Stabile MST S.c.a.r.l. in liquidation	3	0	3
• Tecnimont South Africa (PYT) LTD	0	0	0
<b>Total</b>	<b>79</b>	<b>0</b>	<b>79</b>

In the first half of 2023, there were no changes.

Tecnimont Exportadora de Ingeniería 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 Ingeniería y Servicios TCM SpA	Chile	CLP	100%	Tecnimont S.p.A.	100%
Consorzio Stabile MST S.c.a.r.l. in liquidation	ITA	EUR	91.00%	MST S.p.A.	91.00%
Tecnimont South Africa (PYT) LTD	South Africa	ZAR	100.00%	Tecnimont S.p.A.	100.00%

The investments in non-consolidated subsidiaries mainly refer to consortiums incorporated for specific projects whose corporate duration is related to the duration of the project which is currently either terminated or not yet commenced. Investments in non-consolidated subsidiaries are measured at fair value with changes written to the statement of comprehensive income, although as the investment concerns securities no longer related to operational activity, the fair value does not vary from the cost and the relative portion of equity.

**INVESTMENTS IN OTHER COMPANIES:**

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
• Finenergia S.p.A. in liquidation	26	0	26
• Società Interporto Campano S.p.A.	1,920	(483)	1,437
• Cavtomi consortium	193	0	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.	2,820	0	2,820
• Cisfi S.p.a.	230	(53)	177
• Fondazione ITS	10	0	10
• Contratto di programma Aquila consortium (*)	0	0	0
• Consorzio parco scientifico e tecnologico Abruzzo (*)	0	0	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	7,959	(147)	7,811
<b>Total</b>	<b>14,115</b>	<b>(683)</b>	<b>13,432</b>

(\*) 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.

The decreases in the investments in Interporto Campano S.p.A. and Cisfi S.p.A follow the updating to their present value, with a negative effect also on the financial assets reserve measured at fair value.

The decrease of the investment Pursell Agri-Tech, LLC relates to the currency conversion effects of the importation of the financial statements in foreign currencies.





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%	Tecnimont 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 105,640 thousand and increased by Euro 2,845 thousand during the period.

The breakdown of financial assets at June 30, 2023 is as follows:

Non-current financial assets for Euro 4,006 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. After the event, following developments in the investigation, approximately USD 650 thousand was recovered from current accounts in which the above amounts had transitted from the fraudulent actions. In the first half of 2023, the Abu Dhabi Court, in which the dispute was brought, ordered the persons involved in the events and the insurance companies to cover these events against the policy in place; the Group is awaiting payment as a result of the judgment.



The non-current financial assets for Euro 50,034 thousand include the accounting representation in the Volgaferf 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 Volgaferf LLC. Volgaferf 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 762 thousand at June 30, 2023.

<i>(in Euro thousands)</i>	31-12-2022	Provisions	Utilizati ons	Change in consolidation scope	Other movement s	30-06-2023
Provision for other doubtful financial debts	609	153	0	0	0	762
<b>Total</b>	<b>609</b>	<b>153</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>762</b>

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 and in quantifying expected losses at the closure date.



## 23.8. Other non-current assets

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Trade receivables beyond 12 months	54,634	19,319	73,953
Other trade receivables beyond 12 months	7,531	523	8,054
Other Assets beyond one year	17,439	(321)	17,118
Tax Receivables beyond 12 months	2,442	1,592	4,034
Prepayments beyond 12 months	6,135	389	6,523
<b>Total</b>	<b>88,180</b>	<b>21,502</b>	<b>109,682</b>

Other non-current assets amount to Euro 109,682 thousand, increasing Euro 21,502 thousand compared to December 31, 2022.

Trade receivables due beyond 12 months mainly relate to receivables of 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 period also in relation to the projects in progress (mainly Borouge 4), net of the reclassifications to short-term of portions of withholdings under guarantee.

Other trade receivables beyond 12 months amount to Euro 8,054 thousand and increased Euro 523 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 item also includes other miscellaneous receivables due beyond 12 months and security deposits.

The other assets for Euro 17,118 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 movement relates to the translation of foreign currency items.

Tax receivables beyond 12 months of Euro 4,034 thousand mainly concern those of the Indian subsidiary Tecnimont Private Limited, expected to be reimbursed by the Treasury beyond 12 months.

Prepayments beyond twelve months amount to Euro 6,523 thousand and mainly comprise advance payments on bank guarantee commissions relating to new large projects acquired.



### 23.9. Deferred tax assets and liabilities

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Deferred tax assets	53,491	2,568	56,059
Deferred tax liabilities	(48,619)	(6,043)	(54,662)
<b>Total</b>	<b>4,873</b>	<b>(3,475)</b>	<b>1,397</b>

Deferred tax assets and liabilities present a positive net balance of Euro 1,397 thousand, decreasing Euro 3,475 thousand compared to December 31, 2022, as a combined effect of the decrease 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 provisions for future charges related to personnel that were allocated in the first half of 2023, interest expense deductible in future years and the negative mark to market of the derivative hedging instruments.

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 the first half of 2023 and due to the differing accounting standards of a number of overseas subsidiaries.

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.



### 23.10. Inventories and Advances to Suppliers

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Finished products and goods	3,946	1,550	5,496
Advances to suppliers	360,855	45,246	406,102
<b>Total</b>	<b>364,802</b>	<b>46,796</b>	<b>411,597</b>

“Finished products and goods”, amounting to Euro 5,496 thousand, mainly relates to the finished product inventory of MyReplast Industries, which manages an advanced plastics mechanical recycling plant located in Bedizzole; consumable materials and finished products at the warehouse of the subsidiary Met T&S, which supplies chemical products, spare parts and polymers and residually a number of assets previously acquired for orders now concluded and in the process of disposal.

Advance payments to suppliers, amounting to Euro 406,102 thousand, refer to the advances paid to foreign and Italian suppliers and sub-contractors against materials in progress and transit for the construction of plant and work in progress.

The increase in Advances of Euro 45,246 thousand is the direct result of the recently acquired contracts, for which equipment orders have been issued and consequent financial advances to suppliers have been recognized, in addition to the general increase in current operations.

### 23.11. Contractual Assets

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Works-in-progress	27,529,478	1,266,909	28,796,387
(Advances received on work-in-progress)	(25,268,681)	(964,085)	(26,232,766)
<b>Total</b>	<b>2,260,797</b>	<b>302,824</b>	<b>2,563,621</b>

“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 period and transferred to revenues from sales.

The total value of Contract assets increased on the previous year by Euro 302,824 thousand. This increase is substantially due to the lower invoicing in the period in comparison to the economic advancement of the projects, influenced also by the contractual terms of the main orders.



The increase in Contractual assets in absolute terms is in line with the significant growth of volumes in the first half of 2023, which reflects the progression of projects towards phases which express greater volumes.

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 2022 consolidated financial statements, to which reference should be made. Currently, the portion of fees not yet approved accounted for approx. 8.4% of the value of the relative 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.

## 23.12. Trade receivables

(in Euro thousands)	31-12-2022	Changes in the period	30-06-2023
Trade receivables - within 12 months	691,952	(50,208)	641,743
Subsidiaries - within 12 months	4	(4)	0
Associates - within 12 months	302	122	424
Parent companies - within 12 months	1	0	1
Group companies - within 12 months	11,923	(212)	11,711
<b>Total</b>	<b>704,182</b>	<b>(50,303)</b>	<b>653,879</b>

Trade receivables at June 30, 2023 amount to Euro 653,879 thousand, a decrease of Euro 50,303 thousand compared to December 31, 2022.

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 H1 2023 there was a significant growth in volumes that reflects 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, which resulted in significant receipts on the main projects, such as the Port Harcourt Refinery in Nigeria, for the EPC Borouge 4 project and the Ras Laffan project in Qatar.

Receivables from associates amount to Euro 424 thousand and mainly refer for Euro 119 thousand to receivables from the JV Tecnimont-KZ LLP, for Euro 100 thousand from Gulf Compound Blending Ind Ltd, for Euro 6 thousand from Biolevano S.r.l., for Euro 178 thousand from Hydrogeno Cadereyta and for Euro 20 thousand from SMC S.c.a.r.l.





Receivables from parent companies for Euro 1 thousand are from GLV Capital S.p.A.

Trade receivables from group companies amount of Euro 11,711 thousand and 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 1,688 thousand, Euro 40 thousand from the Cavet consortium and Euro 208 thousand from the Tecnoenergia Nord consortium.

Trade receivables are recorded net of the doubtful debt provision of Euro 15,934 thousand at June 30, 2023 (Euro 14,729 thousand at December 31, 2022).

<i>(in Euro thousands)</i>	31-12-2022	Provisions	Utilizations	Change in consolidation scope	Other movements	30-06-2023
Doubtful debt provision - customers	14,729	1,252	(46)	(1)	0	15,934
<b>Total</b>	<b>14,729</b>	<b>1,252</b>	<b>(46)</b>	<b>(1)</b>	<b>0</b>	<b>15,934</b>

The accruals to the doubtful debt provision amounted to Euro 1,252 thousand, and as indicated in Note "22.9 Doubtful debt provision", this amount, although reducing, in the first half of 2023 was again impacted by the financial tensions arising from the Russia-Ukraine crisis and the increased interest rates which impacted the financial rating of a number of clients, with a deterioration of the counterparty risk and consequent effects on the valuation of financial assets; in addition, at June 30, 2023 the receivable balance was higher than the same period of the previous year, with a further impact in terms of increased 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 and in quantifying expected losses at the closure date.

Uses of the doubtful debt provision mainly concerns a number of disputed positions closed in the year.



### 23.13. Current tax assets

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Current tax assets	53,978	5,662	59,640
Other tax receivables	105,128	(21,672)	83,456
<b>Total</b>	<b>159,106</b>	<b>(16,010)</b>	<b>143,096</b>

Current tax assets amount to Euro 143,096 thousand, a decrease of Euro 16,010 thousand compared to December 31, 2022. The account mainly refers to VAT for Euro 83,456 thousand and other tax receivables of Euro 59,640 thousand.

The VAT receivables relate to the balance of the tax consolidation undertaken by the Parent Company Maire Tecnimont S.p.A of Euro 28,176 thousand (Euro 39,898 thousand at December 31, 2022), a decrease therefore of Euro 11,722 thousand, receivables of Italian companies not involved in the Group consolidation or prior to their inclusion and therefore not transferred to the parent company for Euro 11,557 thousand, a decrease of Euro 3,971 thousand compared to December 31, 2022, foreign companies amounting to Euro 21,806 thousand (of which approx. Euro 10,191 thousand for Tecnimont Private Limited, Euro 5,652 thousand for TCM-KT JV Azerbaijan LLC and Euro 1,950 thousand for KT Angola), a decrease of Euro 5,526 thousand compared to December 31, 2022 and for Euro 21,917 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 59,640 thousand principally refer to:

- The group tax receivable of the parent company Maire Tecnimont for approx. Euro 1,682 thousand, reducing on December 31, 2022 based on the estimate of the tax charge for the period;
- tax receivables of foreign companies for Euro 9,870 thousand, mainly related to the tax receivables of the Dutch subsidiary Stamicarbon BV and Tecnimont Private Limited;
- residual tax receivables of Euro 48,088 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., 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, 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.



### 23.14. Financial instruments - Derivatives (Current assets)

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Financial instruments - Currency hedging derivatives	8,433	(5,476)	2,957
Financial instruments - Interest rate hedging derivatives	3,895	93	3,988
Financial instruments - Raw material hedging derivatives	157	(157)	1
Financial instruments - Total Return Equity SWAP (TRES) derivatives	596	2,749	3,345
<b>Total</b>	<b>13,082</b>	<b>(2,791)</b>	<b>10,291</b>

Current asset derivative financial instruments at June 30, 2023 amount to Euro 10,291 thousand, decreasing Euro 2,791 thousand compared to December 31, 2022 and concern the fair value measurement of the derivative contracts in force.

The account for Euro 2,957 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 movements are as a result of exchange rate movements, mainly the Dollar against the Euro, which in first half of 2023, following the increase in interest rates, saw a strengthening of the Euro against the Dollar. In addition, a number of currency hedging instruments were closed in the period.

The interest rate derivatives, amounting to Euro 3,988 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 movement is mainly as a combined effect of the closure of a number of positions in the period, in line with the repayment plan of the main loan and the reclassification to short-term of a number of portions, in addition to movements on the market in the period in relation to interest rate increase expectations.

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 3,345 thousand concerns the positive 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 these instruments at June 30, 2023 hedged the risk relating to approx. 8.5 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 at fair value, with the related changes recorded in the income statement.

The increase in cash-settled Total Return Equity Swap (TRES) derivatives is due to the favorable performance and recovery of the Maire Tecnimont share price in the first half of 2023, following the market uncertainties of the previous year related to the international tensions arising from the Russia-Ukraine crisis, which impacted upon the share value, although which consistently improved over the quarters of 2022.



### 23.15. Other current financial assets

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
<b>Financial receivables within 12 months:</b>			
Associates	3,134	822	3,956
Group companies	186	0	186
Other securities	916	535	1,451
Others	3,250	1,360	4,610
<b>Total</b>	<b>7,486</b>	<b>2,717</b>	<b>10,203</b>

Other current financial assets at June 30, 2023 amount to Euro 10,203 thousand, an increase of Euro 2,717 thousand compared to December 31, 2022.

Financial receivables from associates total Euro 3,956 and concern Villaggio Olimpico Moi for Euro 24 thousand, for Euro 13 thousand G.C.B. General Trading Ltd, for Euro 972 thousand from Gulf Compound Blending Ind Ltd, for Euro 1,469 thousand the JV Tecnimont KZ LLP in Kazakhstan and for Euro 1,477 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 1,451 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 period is due to the subscription of further units totaling Euro 249 thousand and the additional increase for Euro 286 thousand to adjust to the fair value of the investment, which rose on December 31, 2022.

Other receivables amount to Euro 4,610 thousand, increasing Euro 1,360 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.



## 23.16. Other current assets

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Others receivables within 12 months	236,723	(8,643)	228,080
Commercial prepayments	22,873	(962)	21,911
<b>Total</b>	<b>259,597</b>	<b>(9,605)</b>	<b>249,992</b>

Other current assets at June 30, 2023 amount to Euro 249,992 thousand, a decrease of Euro 9,605 thousand compared to December 31, 2022.

The decrease 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 and other miscellaneous payables.

“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.

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.

A number of positions are in dispute, and the conclusion of the respective proceedings is pending.

“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:

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Receivables from consortiums and JV's	8,570	(1,526)	7,044
Contractual penalties to suppliers and sub-contractors	120,970	1,812	122,782
Other debtors	39,669	(4,912)	34,757
Taxes, VAT and levies (foreign companies)	56,488	(3,139)	53,349
Guarantee deposits	6,760	(1,147)	5,613
Other prepayments (rents, commissions, insurance)	22,873	(962)	21,911
Employee receivables	2,024	243	2,266
Social security institutions	2,242	27	2,269
<b>Total</b>	<b>259,597</b>	<b>(9,605)</b>	<b>249,992</b>



### 23.17. Cash and cash equivalents

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Bank deposits	762,258	(36,724)	725,534
Cash and valuables in hand	206	(20)	186
<b>Total</b>	<b>762,463</b>	<b>(36,744)</b>	<b>725,720</b>

Cash and cash equivalents at June 30, 2023 amount to Euro 725,720 thousand, a decrease of Euro 36,744 thousand compared to December 31, 2022.

Operating activities generated cash in the period of Euro 110,193 thousand, increasing on the first quarter of 2023, driven by the profit for the period and working capital changes; cash flows from operating activities include also income tax payments, which in H1 2023 totaled Euro 24,863 thousand.

As already outlined, net working capital in fact further improved in 2023 thanks to the operating activities on the main projects and advances from clients regarding the new order intake, which therefore provided a further cash flow benefit.

Cash flows from investing activities however absorbed cash of Euro 40,054 thousand, mainly due to the acquisition of Conser S.p.A. and of MyRemono S.r.l., net of the cash and cash equivalents acquired. Additional disbursements are related to efforts to develop new technologies and intellectual property rights (patents and licenses), mainly by Nextchem Holding Group and residually to a number of improvements on owned and leased office buildings by certain Maire Group companies.

Financial management, similarly to investment management, absorbed cash totaling Euro 106,884 thousand. This follows the final settlement of approx. Euro 65 million of the nominal Euro 185 million medium/long-term loan by the subsidiary Tecnimont S.p.A., now fully settled, and in relation to the nominal Euro 365 million Maire Tecnimont loan, backed for 80% by SACE's Italy Guarantee, for approx. Euro 45.6 million, the interest paid and the repayment of principal amounts of finance lease liabilities, in addition to the repayment of revolving lines, overdrafts and other financial instruments for the management of short-term commercial cash flows and to support working capital lines for short-term needs for the working capital management of a number of projects utilized at December 31, 2022. Additional outlays concerned the payment of the dividend approved by the Shareholders' Meeting of Euro 40.7 million and the purchases of treasury shares for approx. Euro 2.2 million.

Simultaneously, the funds from the Euro Commercial Paper Program were utilized for a net amount of Euro 26.7 million, of the signing of two new loans, respectively for Euro 150 million and 40 million, backed for 80% by the SACE S.p.A. Guarantee.

Cash and cash equivalents at June 30, 2023 include a restricted amount that can be used only for the payment of personnel salaries and wages, social security charges and any tax charges of approximately Euro 6.6 million in relation to the current account of a Group subsidiary, pending developments in the court's judgment in connection with a dispute whereby the Group still considers the likelihood of success and consequent removal of the precautionary restriction to be high.





### **23.18. Shareholders' Equity**

Group Shareholders' equity at June 30, 2023 amounts to Euro 469,458 thousand, a net decrease of Euro 22,117 thousand compared to December 31, 2022 (Euro 491,574 thousand).

Minority interest Shareholders' Equity at June 30, 2023 amounted to Euro 50,403 thousand, with a net increase of Euro 13,926 thousand compared to December 31, 2022 (Euro 36,477 thousand).

During the first half of 2023, following the completion of the industrial reorganization process of the Maire Tecnimont Group, which among other activities included the transfer to the subsidiary NextChem Holding S.p.A. of the 100% holding of the Dutch-registered subsidiary Stamicarbon B.V. and of 56.67% of the subsidiary NextChem S.p.A. by Maire Tecnimont and by Maire Investments S.p.A. (related party), the remaining portion of the share capital of NextChem (equal to 43.33%). As a result of the increase, the share capital of NextChem Holding is now held 78.37% by Maire Tecnimont and 21.63% by Maire Investments S.p.A., with the consequent recalculation of the minority share which increased by approx. Euro 11 million the minority interest shareholders' equity.

Total consolidated Shareholders' Equity, considering minority interests, at June 30, 2023 amounts to Euro 519,861 thousand, a decrease of Euro 8,190 thousand compared to December 31, 2022 (Euro 528,051 thousand).

The overall increase in consolidated Shareholders' Equity reflects the net income in the period of Euro 54 million and the increase in the Cash Flow Hedge reserve of the derivative instruments, which mainly relates to the temporary mark-to-market gains of the derivative instruments to hedge the currency risk of the revenues and costs from the projects and the risk of raw material cost movements, net of the relative tax effect for Euro 2.5 million. The changes are due to the currency market movements, principally as a result of interest rate movements, which in H1 2023 saw the Euro strengthen against the US Dollar.

The currency movements however negatively 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 for Euro 27.7 million.

Other reductions concerned the payment of the dividend approved by the Shareholders' Meeting for Euro 40,7 million and the purchase of treasury shares during the period to service Maire Tecnimont stock-based remuneration and incentive plans adopted by the Company.

### **SHARE CAPITAL**

The Share capital at June 30, 2023 was Euro 19,920,679 and comprised 328,640,432 shares without par value, with regular rights.

### **SHARE PREMIUM RESERVE**

The Share Premium Reserve at June 30, 2023 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 June 30, 2023 were negative for Euro 29,993 thousand and comprise the:

- Legal Reserve of the Parent Company Maire Tecnimont S.p.A. which at June 30, 2023 amounts to 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 June 30, 2023 of a negative Euro 67,959 thousand and comprising the temporary translation differences of the financial statements in foreign currencies; the change in the period was a decrease of Euro 27,693 thousand, impacted by the currency movements previously outlined;
- Statutory reserves, which at June 30, 2023 amount to Euro 23,665 thousand;
- Other reserves, which at June 30, 2023 were negative for Euro 18,210 thousand;
- Treasury shares in portfolio amount to Euro -2,563 thousand; On June 21, 2023, Maire Tecnimont S.p.A. launched the treasury share buyback program as per Article 5 of Regulation (EU) 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 Third Cycle (2022) of the “2020-2022 General Share Plan for Maire Tecnimont Group employees” adopted by the Company. As part of the share buy-back program, between June 21, 2023 and July 7, 2023 inclusive, 1,100,000 treasury shares were acquired (corresponding to 0.335% of the total number of ordinary shares), at an average weighted price of Euro 3.476, for a total amount of Euro 3,824,103, and the program was therefore completed. In light of the purchases made and the treasury shares already held in portfolio before the start of the Program, at June 30, 2023, the Company held 767,097 treasury shares. After completion of the buy-back program, on July 7, 2023 the Company held a total of 1,209,297 treasury shares.
- IFRS 2 Reserve for Euro 20,024 thousand, which includes both the valuation of the Third Cycle (Year 2022 of the 2020-2022 General Share Plan, which subsequently concluded in July 2023), and the 2021-2023 LTI and 2022-2024 LTI Plans. The Reserve reported a net increase of Euro 5,170 thousand in the period, essentially related to the accruals made in the first half of 2023 for Euro 5,520 thousand and releases following the departure of a number of employees for Euro 350 thousand. 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.



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.

## **VALUATION RESERVE**

The valuation reserve, which at June 30, 2023 was negative for Euro 28,999 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:

<i>(in Euro thousands)</i>	<b>Cash Flow Hedge Reserve &amp; Cost of Hedging Reserve</b>	<b>Actuarial Gains/Losses</b>	<b>Financial assets measured at fair value reserve</b>	<b>Total</b>
<b>Net book value at December 31, 2022</b>	<b>(22,332)</b>	<b>(3,625)</b>	<b>(5,586)</b>	<b>(31,543)</b>
Actuarial gain/(losses)	0	(873)	0	(873)
Relative tax effect	0	209	0	209
Valuation derivative instruments	4,968	0	0	4,968
Relative tax effect	(1,192)	0	0	(1,192)
Fair value changes of investments with OCI effects	0	0	(569)	(569)
<b>Net book value at June 30, 2023</b>	<b>(18,557)</b>	<b>(4,288)</b>	<b>(6,155)</b>	<b>(28,999)</b>

The net increase of Euro 3,776 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 due to the currency market movements, principally as a result of interest rate movements, which in H1 2023 saw the Euro strengthen against the US Dollar.

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 decrease in the reserve for financial assets measured at fair value of approx. Euro 569 thousand relates to the investments in the companies Interporto Campano S.p.A. and Cisi S.p.A. following an update to their present value, with a negative effect also on the reserve for financial assets measured at fair value.



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.

### 23.19. Financial payables - non-current portion

(in Euro thousands)	31-12-2022	Changes in the period	30-06-2023
Bank payables beyond 12 months	290,781	144,659	435,440
<b>Total</b>	<b>290,781</b>	<b>144,659</b>	<b>435,440</b>

Financial payables, net of the current portion, amount to Euro 435,440 thousand, increasing Euro 144,659 thousand on December 31, 2022, mainly due to the agreement of two new loans, respectively of Euro 150 million and Euro 40 million with Italian-based banks, backed for 80% by SACE S.p.A.'s guarantee, in line with Legislative Decree of May 17, 2022. In the first half of 2023, capital portions of Euro 45.6 million of the loan of a nominal Euro 365 million, backed for 80% by SACE's Italy Decree, drawn down in 2020, were repaid.

At June 30, 2023, financial payables net of the current portion was composed as follows:

- Euro 183,891 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 228,501 thousand at December 31, 2022).

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 the next measurement based on figures at June 30, 2023.

- Euro 149,315 thousand from the new loan backed for 80% by SACE's "Italy Guarantee", net of related ancillary charges, with an initial nominal value of Euro 150 million.

On March 13, 2023, Maire Tecnimont S.p.A. signed a new Euro 150 million loan, backed for 80% by SACE S.p.A.'s guarantee and further strengthening the Maire Tecnimont Group's financial structure. This loan was issued by a syndicate of leading Italian banks, comprising Banco BPM, MPS Capital Services and Intesa Sanpaolo (IMI Corporate & Investment Banking Division). This latter shall act also as the "SACE Agent" and Agent Bank for the transaction. In accordance with Legislative Decree No. 50 of May 17, 2022, the loan shall mainly support the funding (including R&D spend) and working capital needs of the parent company MAIRE and



of Tecnimont S.p.A., the MAIRE Group's main operating company headquartered in Italy. The new loan shall have 6-year duration, of which 3 years grace period, a Euribor 3-month +1.7% margin annual rate, in addition to the cost of the SACE S.p.A. guarantee, and may be fully or partly settled at any time without penalties.

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 the next measurement based on figures at June 30, 2023.

- Euro 39,718 thousand from the new loan backed for 80% by SACE's "Italy Guarantee", net of related ancillary charges, with an initial nominal value of Euro 40 million.

On May 25, 2023, MAIRE S.p.A. signed a new Euro 40 million loan with BPER Corporate & Investment Banking, backed for 80% by SACE S.p.A.'s guarantee and further strengthening the Group's financial structure. In accordance with Decree-Law No. 50 of May 17, 2022, the loan is mainly to support the funding (including R&D spend) and working capital needs of the parent company MAIRE and of Tecnimont S.p.A., the Group's main operating company headquartered in Italy. The loan matures in December 2028 and has a three-year grace period. It provides for a Euribor 3-month +1.7% margin annual rate, in addition to the cost of the SACE S.p.A. guarantee, and may be fully or partly settled at any time without penalties.

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 the next measurement based on figures at June 30, 2023.

- For Euro 54,838 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 54,784 thousand at December 31, 2022).

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 December 2024) with an average duration of approx. 5 years, total repayment at maturity, and an average rate of approximately 5.93%. 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, 2023.

- For Euro 5,923 thousand the loan from Banca Popolare di Sondrio for a nominal value of Euro 10 million, in support of the activities of MyReplast Industries S.r.l., net of the relative ancillary charges (Euro 6,458 thousand at December 31, 2022), for Euro 891 thousand the Banca Popolare di Sondrio loan of a nominal Euro 1.5 million, also undertaken by MyReplast Industries S.r.l. (Euro 1,038 thousand at December 31, 2022), and a new loan in 2023, also from BPS, undertaken by MyReplast Industries S.r.l. for a nominal Euro 1 million. In the first half of 2023, repayments were made in the amount of Euro 535 thousand and Euro 145 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 June 30, 2023, have all been complied with according to the results currently available.



## 23.20. Provisions for charges - beyond 12 months

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Provisions for charges - beyond 12 months	13,518	(107)	13,412
<b>Total</b>	<b>13,518</b>	<b>(107)</b>	<b>13,412</b>

The provision for charges amounts to Euro 13,412 thousand, a decrease of Euro 107 thousand compared to December 31, 2022.

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.

The decreases refer to the provision for some personnel disputes and other minor disputes.

For details on liabilities and related estimates of timing, see the section "Disputes" of the Directors' Report.

## 23.21. Post-employment & other employee benefits

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Post-employment & other employee benefits	10,190	1,615	11,804
<b>Total</b>	<b>10,190</b>	<b>1,615</b>	<b>11,804</b>

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 June 30, 2023; the changes in the period are shown below:





<i>(in Euro thousands)</i>	POST- EMPLOYMENT BENEFIT PROVISION	OTHER PLANS	Total
<b>December 31, 2022</b>	<b>8,440</b>	<b>1,749</b>	<b>10,190</b>
Changes in the year	386	1,229	1,615
<b>June 30, 2023</b>	<b>8,827</b>	<b>2,978</b>	<b>11,804</b>

The change in the post-employment benefit provision was due to the change in the consolidation scope in relation to the acquisition of Conser S.p.A., net of the decreases relating to departures of employees and of 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 period 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 are recognized in a specific valuation reserve under Equity.

## 23.22. Other non-current liabilities

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Trade payables beyond 12 months	58,482	20,739	79,221
Accrued liabilities	1,646	(105)	1,541
Other payables beyond 12 months	0	16,305	16,305
<b>Total</b>	<b>60,128</b>	<b>37,139</b>	<b>97,267</b>

Non-current other liabilities at June 30, 2023 amount to Euro 97,267 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 the work.

The movement in "Trade payables beyond 12 months" concerns the advancement of orders and the contractual terms with suppliers, against which withholding taxes were higher compared to December 31, 2022; the large new orders have in fact entered into an advanced phase of works, with consequent increased withholdings from the main suppliers of materials and construction services.



“Other payables beyond 12 months” concerns for Euro 15,072 thousand the valuation of the earn-out clause on the basis of the achievement of set operating results for FY 2023 and 2024 and put and call options structure on the remaining 16.5%, to be exercised within the coming three years, set out in the acquisition contract of Conser S.p.A..

### 23.23. Financial instruments - Derivatives (Non-current liabilities)

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Financial instruments - Currency hedging derivatives	80	2,111	2,191
<b>Total</b>	<b>80</b>	<b>2,111</b>	<b>2,191</b>

Non-current derivative financial instrument liabilities at June 30, 2023 amount to Euro 2,191 thousand, with an increase of Euro 2,111 thousand compared to December 31, 2022 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 movements relate to interest rate movements, principally of the Dollar against the Euro in the first half of 2023.

### 23.24. Other non-current financial liabilities

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Payables to other lenders - Bonds	164,440	(164,440)	0
Other financial payables	15,241	1,727	16,968
Financial payables - Warrants	451	0	451
<b>Total</b>	<b>180,132</b>	<b>(162,713)</b>	<b>17,419</b>

Other non-current financial liabilities amounted at June 30, 2023 to Euro 17,419 thousand, decreasing Euro 162,713 thousand on December 31, 2022, as a result of the reclassification to short-term of the Non-convertible bond loan for a total of Euro 165 million, net of the relative accessory charges.

“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.

- For Euro 1,724 thousand the balance of the price for the acquisition of the investment in MyRemono S.r.l., whose payment was deferred compared to the closing and with the satisfaction of certain conditions stipulated beyond 2023; for further details, reference should be made to the "Key Events for the period" section.
- Other financial payables beyond 12 months, amounting to a residual Euro 57 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.

For further information, reference should be made to the section "Accounting Policies - Warrants" of the 2022 consolidated financial statements.

### 23.25. Financial liabilities - Leasing

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Financial liabilities - Leasing	133,026	2,799	135,825
<b>Total</b>	<b>133,026</b>	<b>2,799</b>	<b>135,825</b>
<i>of which:</i>			
Non-current financial liabilities - Leasing	110,467	933	111,400
Current financial liabilities - Leasing	22,559	1,866	24,425
<b>Total</b>	<b>133,026</b>	<b>2,799</b>	<b>135,825</b>

The value of current and non-current financial leasing liabilities related to Rights-of-Use at June 30, 2023 was Euro 135,825 thousand, of which Euro 24,425 thousand short term and Euro 111,400 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 H1 2023, the changes mainly relate to the payment of scheduled installments, interest accrued and new contracts entered into during the period 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.

### 23.26. Short-term financial payables

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Bank payables	282,044	(184,228)	97,816
Payables to other lenders	27,425	(21,930)	5,495
Accrued liabilities	1,367	595	1,963
<b>Total</b>	<b>310,837</b>	<b>(205,564)</b>	<b>105,273</b>

Short-term financial payables of Euro 105,273 thousand decreased Euro 205,564 thousand on December 31, 2022, mainly as a result of the repayment of the final capital portion of Euro 65 million of the medium/long-term loan of a nominal Euro 185 million of the subsidiary Tecnimont S.p.A., and the repayment of revolving lines, bank overdrafts and other financial instruments to manage short-term commercial cash flows in support of the working capital on a number of projects which had been utilized at December 31, 2022.

At June 30, 2023, short-term bank payables mainly refer to the current portion of non-current debt:

- for Euro 92,752 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 45.6 million repayable by December 31, 2023 and the remainder in H1 2024.
- for Euro 1,075 thousand the current capital portion of a loan from Banca Popolare di Sondrio for a nominal value of Euro 10 million in support of the activities of MyReplast Industries S.r.l., for Euro 294 thousand the current capital portion of a loan also issued in 2021 by Banca Popolare di Sondrio to MyReplast Industries S.r.l. for a nominal Euro 1.5 million, and for Euro 129 thousand the new loan in 2023, also from BPS to MyReplast Industries S.r.l. of a nominal Euro 1 million.

The other short-term bank borrowings mainly refer to:

- for Euro 3,566 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 5,495 thousand, down by 21,930 thousand following the repayment of working capital lines to support the short-term requirements as part of the management of the working capital on some projects utilized at December 31, 2022; 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 1,963 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 June 30, 2023 and December 31, 2022, in line with Consob communication No. 5/21 of April 29, 2021:

NET FINANCIAL DEBT MAIRE TECNIMONT GROUP		
<i>Euro thousands</i>	<b>June 30, 2023</b>	<b>December 31, 2022</b>
A. <u>Cash and cash equivalents</u>	(725,720)	(762,463)
B. <u>Other liquidity</u>	-	-
C. <u>Other current financial assets</u>	(13,548)	(8,082)
<b>D. <u>Liquidity (A+B+C)</u></b>	<b>(739,268)</b>	<b>(770,545)</b>
E. <u>Current financial debt (including debt instruments but excluding the</u>	238,564	180,881
F. <u>Current portion of non-current debt</u>	94,250	158,261
<b>G. <u>Current financial debt (E+F)</u></b>	<b>332,814</b>	<b>339,142</b>
<b>H. <u>Net current financial debt (G-D)</u></b>	<b>(406,453)</b>	<b>(431,403)</b>
I. <u>Non-current financial debt (excluding current portion and debt</u>	546,840	401,248
J. <u>Debt instruments</u>	17,419	180,132
K. <u>Trade payables and other non-current payables</u>	-	-
<b>L. <u>Non-current financial debt (I+J+K)</u></b>	<b>564,259</b>	<b>581,379</b>
<b>M. <u>Total financial debt (H+L)</u></b>	<b>157,806</b>	<b>149,976</b>

The following table presents the reconciliation between the net financial debt and the net financial position of the Group at June 30, 2023 and December 31, 2022:

RECONCILIATION NFD & NFP		
<i>Euro thousands</i>	<b>June 30, 2023</b>	<b>December 31, 2022</b>
<b>M. <u>Total financial debt</u></b>	<b>157,806</b>	<b>149,976</b>
<u>Net financial debt of discontinued operations</u>	-	-
<u>Other non-current financial assets</u>	(111,340)	(109,032)
<u>Derivative financial instruments</u>	9,310	23,701
<u>"Project Financing - Non Recourse"</u>	(6,998)	(7,520)
<u>Other non-current assets - Expected repayments</u>	(17,118)	(17,439)
<u>Financial payables - Warrants</u>	(451)	(451)
<u>Finance lease payables IFRS 16</u>	(135,825)	(133,026)
<b>Adjusted Net Financial Position</b>	<b>(104,616)</b>	<b>(93,790)</b>

The adjusted Net Financial Position at March 30, 2023 indicates net cash of Euro 104.6 million, improving Euro 10.8 million on December 31, 2022. Operating cash generation in the period more than offset investments in the period, totaling Euro 57.7 million, of which Euro 35.8 million related to the acquisition of Conser S.p.A. (Euro 19.2 million, net of the liquidity acquired), and of which



Euro 6.9 million related to the acquisition of MyRemono S.r.l. (Euro 5.8 million net of the liquidity acquired), in line with the strategy to expand the Group's sustainable technology portfolio.

The financial position at June 30, 2023 overall indicates a reduction in the gross debt, mainly due to the final settlement of approx. Euro 65 million of the nominal Euro 185 million medium/long-term loan by the subsidiary Tecnimont S.p.A., now fully settled, and in relation to the nominal Euro 365 million Maire Tecnimont loan, backed for 80% by SACE's Italy Guarantee, for approx. Euro 45.6 million, in addition to the repayment of revolving lines, overdrafts and other financial instruments for the management of short-term commercial cash flows and to support working capital lines for short-term needs for the working capital management of a number of projects used at December 31, 2022.

Simultaneously, the funds from the Euro Commercial Paper Program were utilized for a net amount of Euro 26.7 million, and the gross debt saw further increases as a result of the signing of new loans, respectively for Euro 150 million and Euro 40 million, backed for 80% by the SACE S.p.A. Guarantee, in line with Legislative Decree No. 50 of May 17, 2022.

The net financial position at the end of June 2023 was impacted by the temporary changes to the mark-to-market of the derivatives, which at June 30, 2023 had a negative value of Euro 7.6 million and in the first half of 2023 increased by Euro 18.5 million, mainly with regards to the derivatives hedging exchange risk on order revenue and cost fluctuations, the risk of movements in the price of certain raw materials and movements in the Maire Tecnimont share price related to the personnel incentive plans.

Finally, the financial position saw a decrease in cash and cash equivalents, which at June 30, 2023 amounted to Euro 725,720 thousand, with an overall decrease on December 31, 2022 of Euro 36,744 thousand.

Cash flows from operations saw a net cash generation of Euro 110,193 thousand for the period, increasing on Q1 2023, as a result of the net income for the period and changes in working capital. As already outlined, net working capital in fact further improved in 2023 thanks to the operating activities on the main projects and advances from clients regarding the new order intake, which therefore provided a further cash flow benefit.

Cash flows from investing activities however absorbed cash, mainly due to the acquisition of Conser S.p.A. and of MyRemono S.r.l., net of the cash and cash equivalents acquired. Additional disbursements are related to efforts to develop new technologies and intellectual property rights (patents and licenses), mainly by Nextchem Holding Group and residually to a number of improvements on owned and leased office buildings by certain Maire Group companies.

Financial management, similarly to investment management, absorbed cash totaling Euro 106,884 thousand. The main underlying reasons are outlined above.

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 23.8), and excluding both financial lease payables - IFRS 16 of Euro 135,825 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 section "23.24".





### 23.27. Provisions for charges - within 12 months

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Provisions for charges - within 12 months	35,074	4,529	39,603
<b>Total</b>	<b>35,074</b>	<b>4,529</b>	<b>39,603</b>

The provision for charges with 12 months amounts to Euro 39,603 thousand, an increase of Euro 4,529 thousand compared to December 31, 2022.

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 2023 and the short and medium term MBO plans for the portion due within 12 months.

The increase for the first half of 2023 is essentially the result of the payment of a portion of the employee plans, and specifically the flexible-benefit plans (Maire4You), the attendance bonus for 2022, and a portion of the short and medium-term monetary incentive plans (MBO) for 2022, net of new allocations for short-term plans for 2023, which was higher than utilizations for the period. In the second half of 2023, the payment of additional portions of the MBO for 2022 is expected following the calculation of the relative final amounts.

### 23.28. Tax payables

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Current income tax payables	8,098	6,072	14,170
Other payables	15,724	4,127	19,851
<b>Total</b>	<b>23,822</b>	<b>10,199</b>	<b>34,021</b>

Tax payables were Euro 34,021 thousand, increasing Euro 10,199 thousand on December 31, 2022, primarily due to the increase in the amount payable to the Treasury for VAT of some overseas entities and of Current income taxes, in addition to changes in the consolidation scope.



At June 30, 2023, tax payables were as follows:

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Current income tax payables - Ires/Irap	5,777	3,814	9,591
Current income taxes payable - Imp. Overseas	2,320	2,258	4,579
VAT payables	5,549	2,514	8,062
Substitute taxes payable	7,641	815	8,456
Other payables	2,535	798	3,333
<b>Total</b>	<b>23,822</b>	<b>10,199</b>	<b>34,021</b>

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 9,591 thousand, as well as Euro 4,579 thousand for taxes payable by foreign companies. The main change in tax payables relates to the change in the consolidation scope with regards to the acquisition of Conser S.p.A. and the relative current income tax balances, essentially concerning the previous year.

The Group's tax consolidation in relation to Maire Tecnimont S.p.A., which in the current period, as described above in the note concerning "Current tax assets", presented a receivable balance following higher payments on account made in 2023 compared to the estimate of the tax charge for the first half of 2023.

"Other tax payables" relate to VAT payables of Euro 8,062 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.

### 23.29. Financial instruments - Derivatives (Current liabilities)

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Financial instruments - Currency hedging derivatives	40,192	(24,941)	15,251
Financial instruments - Raw material hedging derivatives	223	1,411	1,634
Financial instruments - Total Return Equity SWAP (TRES) derivatives	2,966	(1,333)	1,633
<b>Total</b>	<b>43,381</b>	<b>(24,863)</b>	<b>18,518</b>

Current derivative financial instruments at June 30, 2023 amount to Euro 18,518 thousand, with a decrease of Euro 24,863 thousand compared to December 31, 2022 and concern the fair value measurement of the derivative contracts in force.

The account for Euro 15,251 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 movements are as a result of exchange rate movements, mainly the Dollar against the Euro, which in first half of 2023, following the increase in interest rates, saw a strengthening of the Euro against the Dollar. In addition, a number of currency hedging instruments were closed in the period.

The account for Euro 1,634 thousand concerns raw material derivative hedges (principally for copper) and for purchases of contracts. During the first half of 2023, the negative fair value of the instruments increased as a result of a normalization of the market prices of the hedged commodities with consequent benefits in the underlying supplies.

The account for Euro 1,633 thousand concerns the negative fair-value of the residual portion of a cash-settled Total Return Equity Swap derivative instrument (TRES); to hedge against movements in the Maire Tecnimont share price essentially tied to the personnel incentive plans in place. The residual portions of the instrument at June 30, 2023 hedged the risk relating to approx. 2.1 million shares. The derivative contract (TRES) was underwritten with a financial intermediary, with no obligation for Maire Tecnimont to acquire the treasury shares, but only the obligation for the settlement between the parties of the differential between the exercise price and the Maire Tecnimont share price on the maturity of the instruments. 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 Swap (TRES) derivatives is due to the favorable performance and recovery of the Maire Tecnimont share price in the first half of 2023, following the market uncertainties of the previous year related to the international tensions arising from the Russia-Ukraine crisis, which impacted upon the share value, although which consistently improved over the quarters of 2022.

### 23.30. Other current financial liabilities

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Other current financial liabilities	280	7,363	7,643
Other current financial liabilities - Euro Commercial Paper (ECP)	2,500	26,700	29,200
Payables to other lenders - Bonds	0	164,640	164,640
<b>Total</b>	<b>2,780</b>	<b>198,703</b>	<b>201,483</b>

Other current financial liabilities amounted at June 30, 2023 to Euro 201,483 thousand, increasing Euro 198,703 thousand on December 31, 2022 as a consequence of the greater use of the Euro Commercial Paper Program of the Maire Tecnimont Group, and due to the reclassification to short-term of the Non-convertible bond loan for a total of Euro 165 million, net of the relative accessory charges.

Other current financial liabilities may be broken down as follows:

- For Euro 29,200 thousand the payable 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 June 30, 2023, the Euro Commercial Paper program had in fact been utilized for Euro 29.2 million, increasing Euro 26.7 million on December 31, 2022. The maturities of the notes are: Euro 8.1 million at July 2023, Euro 3.7 million at September 2023, Euro 5.4 million at November 2023, Euro 8 million at December 2023, Euro 1 million at January 2024, Euro 2.6 million at February 2024 and Euro 0.4 million at March 2024. The average weighted interest rate on outstanding financial liabilities was approx. 4.610%; in 2023, notes totaling Euro 74.4 million were issued, with reimbursements of Euro 47.7 million, with an average weighted interest rate on all financial liabilities which was approx. 3.909%.

- For Euro 280 thousand a financial liability from the consortium Cavtomi.
- For Euro 7,363 thousand the balance of the price for the acquisition of the investment in Conser S.p.A., whose payment was deferred compared to the closing and with the satisfaction of certain conditions stipulated by 2023; for further details, reference should be made to the "Key Events for the period" section.
- For Euro 164,640 thousand, the non-convertible Bond Loan for a total Euro 165 million, net of accessory charges, issued in 2018. In this regard, we consider:

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, 2023.

Maire Tecnimont is currently not aware of any default situations of the above-mentioned covenants, which have been complied with to date.



### 23.31. Client advance payments

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Client advance payments	645,631	48,583	694,214
<b>Total</b>	<b>645,631</b>	<b>48,583</b>	<b>694,214</b>

They concern contractual advances from clients on the signing of construction contracts, usually also covered by the related bond issued to the benefit of the principal. Client advance payments at June 30, 2023 were Euro 694,214 thousand, increasing Euro 48,583 thousand on December 31, 2022, mainly due to the lower reabsorption of advances through invoicing on account and related work performed, compared to the receipt of new contractual advances.

In the first half of 2023, the order intake was approx. Euro 2.4 billion and new advances received mainly concerned the major Amiral order in the period, two EPC contracts related to the petrochemical expansion of the SATORP refinery (a JV comprising Saudi Aramco and TotalEnergies), at Jubail in Saudi Arabia for a total value of about USD 2 billion.

The decreases in the item are in line with the progress of activities and related invoicing, mainly in relation to contracts with Abu Dhabi Polymers Company - Borouge 4, Ras Laffan in Qatar and the Port Harcourt Refinery in Nigeria.

### 23.32. Contractual Liabilities

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
(Works-in-progress)	(24,312,025)	(1,220,166)	(25,532,191)
Advances received on work-in-progress	24,672,349	1,155,221	25,827,570
<b>Total</b>	<b>360,324</b>	<b>(64,945)</b>	<b>295,379</b>

“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 64,945 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 increase in Contractual liabilities is in line with the significant growth of volumes in the first half of 2023, which reflects the progression of projects towards phases which express greater volumes.

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.



### 23.33. Trade payables

(in Euro thousands)	31-12-2022	Changes in the period	30-06-2023
Suppliers - within 12 months	2,294,883	314,715	2,609,597
Associates - within 12 months	213	(20)	193
Parent companies - within 12 months	251	(130)	120
Group companies - within 12 months	456	0	456
<b>Total</b>	<b>2,295,802</b>	<b>314,564</b>	<b>2,610,366</b>

Trade payables at June 30, 2023 amount to Euro 2,610,366 thousand, an increase of Euro 314,564 thousand compared to December 31, 2022.

The increase is substantially related to the significant advancement of projects in progress, with the advancement of the procurement activities for critical materials and the 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 towards phases featuring more works.

More than 71% of the composition of trade payables includes the amounts of period-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, Agic in Saudi Arabia for the Indian projects.

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 193 thousand and principally concern Studio Geotecnico Italiano for Euro 76 thousand and TSJ Limited for Euro 117 thousand.

Payables to Parent Companies amount to Euro 120 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.





### 23.34. Other current liabilities

<i>(in Euro thousands)</i>	31-12-2022	Changes in the period	30-06-2023
Matured by personnel, not yet settled	26,670	8,093	34,763
Payables due to social security institutions	15,126	979	16,105
Tax payables (overseas states)	17,957	(1,401)	16,557
Accrued expenses and deferred income	3,049	(2,818)	231
Other payables (other creditors)	346,296	7,448	353,744
<b>Total</b>	<b>409,099</b>	<b>12,301</b>	<b>421,400</b>

Other current liabilities at June 30, 2023 amount to Euro 421,400 thousand, increasing Euro 12,301 thousand on December 31, 2022.

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, 13<sup>th</sup> month and the MAIRE4YOU flexible benefits, and payables to Italian and foreign social security institutions including contributions not yet matured. The increase is essentially related to a liability for unused holiday time and amounts not yet paid in relation to a general increase in the Group's workforce during in H1 2023.

"Tax payables" principally concern the VAT payables of overseas branches, which in the period decreased by Euro 1,401 thousand, in addition to "Accrued liabilities and deferred income" which reduced by Euro 2,818 thousand.



## 24. Commitments and contingent liabilities

The Maire Tecnimont Group's financial guarantees at June 30, 2023 and December 31, 2022 were as follows:

MAIRE TECNIMONT GROUP FINANCIAL GUARANTEES		
(in Euro thousands)	30/06/2023	31/12/2022
<b>GUARANTEES ISSUED IN THE INTEREST OF THE GROUP</b>		
<b>Sureties issued by third parties in favor of third parties, of which:</b>		
Issued in favor of clients for orders under execution		
Performance bonds (banks and insurance)	1,928,321	2,216,242
Advance Bonds (banks and insurance)	947,638	1,171,018
Other	382,213	325,576
<b>TOTAL GUARANTEES</b>	<b>3,258,172</b>	<b>3,712,836</b>

"Guarantees issued in the interest of the Group" of Euro 3,258,172 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 movement relates to repayments on projects concluded or terminated (including projects in the Russian Federation), net of the release of new guarantees following the new orders acquired in the period. Specifically, these technologies include:

- "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 18,135 million (Euro 17,438 million at December 31, 2022), 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..



## 25. Related party transactions

### **RELATED PARTY TRANSACTIONS MAIRE TECNIMONT GROUP**

The company's receivables/payables (including financial) and cost/revenue transactions with related parties at June 30, 2023 are presented in the tables below.

30/06/2023 (in Euro thousands)	Trade Receivables	Trade Payables	Financial Receivables	Financial Payables	Costs	Revenues
G.L.V. Capital S.p.A	1	(120)	0	0	(440)	1
Maire Investments Group	35	(2)	0	0	(74)	13
Luigi Alfieri	0	(63)	0	0	(169)	0
<b>Total</b>	<b>36</b>	<b>(184)</b>	<b>0</b>	<b>0</b>	<b>(683)</b>	<b>13</b>

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 (Stamicarbon BV, 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:

30/06/2023 (in Euro thousands)	Trade Receivables	Trade Payables	Financial Receivables	Financial Payables	Costs	Revenues
Studio Geotecnico Italiano S.r.l.	0	(76)	0	0	(182)	0
Biolevano S.r.l.	6	0	0	0	0	6
SMC S.c.a.r.l	20	0	0	0	0	19
TCM KTR LLP	119	0	1,469	0	0	12
Exportadora de Ingenieria y Servicios Tcm Spa	0	0	0	(67)	0	0
Volgafert LLC	9,775	0	0	0	0	5,796
JV TSJ Limited	0	(117)	0	0	0	0
Hidrogeno Cadereyta - S.A.P.I. de C.V.	178	0	1,477	0	0	77
Nextchem Holding S.p.A.	96	0	10,300	0	0	96
Nextchem S.p.A.	23,780	(1,849)	13,956	0	(1,601)	13,740
Stamicarbon B.V.	1,363	(10,695)	0	(25,333)	(1,729)	946



30/06/2023 (in Euro thousands)	Trade Receivables	Trade Payables	Financial Receivables	Financial Payables	Costs	Revenues
MyRechemical S.r.l.	1,705	0	0	(592)	(28)	653
MyReplast Industries S.r.l.	91	0	0	0	0	10
Conser S.p.A.	0	0	0	(14,500)	(67)	0
Met T&S Management	10	0	0	0	0	2
GCB General trading	797	0	13	0	0	0
Gulf Compound&Blending Ind.	101	0	972	0	0	10
Maire Tecnimont Foundation	385	0	0	0	(20)	97
<b>Total</b>	<b>38,426</b>	<b>(12,736)</b>	<b>28,187</b>	<b>(40,492)</b>	<b>(3,627)</b>	<b>21,463</b>

On March 1, 2023, the Board of Directors of Maire Tecnimont, as part of the Industrial reorganization project, approved the transfer to the newly-incorporated NextChem Holding S.p.A. of the 100% holding in the Dutch-registered subsidiary Stamicarbon B.V. and of the 56.67% holding in the subsidiary NextChem S.p.A.. Maire Investments S.p.A. (related party), owner of the remainder of the share capital of Nextchem totaling 43.33%, transferred its investment in Nextchem Holding through the subsequent capital increase approved by NextChem Holding.

The transfer qualified as a significant related party transaction pursuant to Consob Regulation No. 17221/2010 and the current "Related Party Transactions Policy". 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.

The Maire Tecnimont Foundation is a non-profit organization founded 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 June 30, 2023, the Group had paid contributions amounting to Euro 20 thousand and rendered various services to the Foundation for a total value of approx. Euro 97 thousand.

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



## 26. 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.

30-06-2023 (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	105,640	-		13,512	-	119,152
Other non-current assets	109,681	-	-	-	-	109,681
Trade receivables	653,879	-	-	-	-	653,879
Financial instruments - Current and non- current derivatives	-	3,345	9,766	-	-	13,111
Other current financial assets	8,752	-	-	-	1,451	10,203
Other current assets	249,992	-	-	-	-	249,992
Cash and cash equivalents	725,720	-	-	-	-	725,720
<b>Total Financial Assets</b>	<b>1,853,663</b>	<b>3,345</b>	<b>9,766</b>	<b>13,512</b>	<b>1,451</b>	<b>1,881,737</b>

(\*) "Level 2" of the Fair-Value

(\*\*) "Level 3" of 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 and cash	762,463	-	-	-	-	762,463
<b>Total Financial Assets</b>	<b>1,923,786</b>	<b>596</b>	<b>16,794</b>	<b>14,194</b>	<b>916</b>	<b>1,956,287</b>

(\*) "Level 2" of the Fair-Value

(\*\*) "Level 3" of Fair-Value

30-06-2023 (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	435,440				435,440
Other non-current financial liabilities	16,968	451			17,419
Other non-current liabilities	97,267				97,267
Short-term debt	105,273				105,273
Other current financial liabilities	201,483				201,483
Finance lease liabilities - current and non-current	135,825				135,825
Financial instruments - Current and non-current derivatives			1,633	19,076	20,709
Trade payables	2,610,366				2,610,366
Other Current Liabilities	421,399				421,399
<b>Total Financial Liabilities</b>	<b>4,024,021</b>	<b>451</b>	<b>1,633</b>	<b>19,076</b>	<b>4,045,181</b>

(\*) "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
<b>Total Financial Liabilities</b>	<b>3,682,133</b>	<b>451</b>	<b>2,966</b>	<b>40,495</b>	<b>3,726,045</b>

(\*) "Level 2" of the Fair-Value

(\*\*) "Level 3" of Fair-Value



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## **27. 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 in the first half of 2023, as defined in the communication.

## **28. Significant non-recurring events and transactions**

In H1 2023, the Group did not execute any significant non-recurring operations in accordance with Consob Communication No. DEM/6064293 of July 28, 2006.

## **29. Subsequent events to June 30, 2023**

For significant events following period-end, reference should be made to the accompanying Directors' Report.



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### **30. 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, and also in consideration of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:
  - the adequacy considering the company’s characteristics and
  - the effective application of the administrative and accounting procedures for the compilation of the condensed consolidated 2023 half-year financial statements in the first half-year of 2023.
2. In addition, we declare that the condensed consolidated 2023 half-year financial statements:
  - are drawn up in conformity with the applicable international accounting standards recognized by the European Union in conformity 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;
  - provide a true and fair view of the equity and financial position and of the operating performance of the issuer and of the other companies in the consolidation scope.
3. The Interim Directors’ Report includes a reliable analysis of the significant events in the first six months of the year and their impact on the condensed consolidated half-year financial statements, with a description of the principal risks and uncertainties for the remaining six months. It also presents a reliable analysis of the significant transactions with related parties.

Milan, July 27, 2023

The Chief Executive Officer

**Alessandro Bernini**

The Executive Officer  
for Financial Reporting

**Fabio Fritelli**



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## 31. Independent Auditors' Report on the Condensed Consolidated Half-Year Financial Statements



**REVIEW REPORT**

**MAIRE TECNIMONT SPA**

**CONSOLIDATED CONDENSED INTERIM FINANCIAL  
STATEMENTS AS OF 30 JUNE 2023**



## REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of  
Maire Tecnimont SpA

### Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Maire Tecnimont SpA and its subsidiaries (the "Maire Tecnimont Group") as of 30 June 2023, comprising the consolidated balance sheet, consolidated income statement, consolidated comprehensive income statement, statement of changes in consolidated shareholders' equity, consolidated cash flow statement and related notes. The directors are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

### Scope of review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution n° 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of the Maire Tecnimont Group as of 30 June 2023 are not

### PricewaterhouseCoopers SpA

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prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by European Union.

Milan, 9 August 2023

PricewaterhouseCoopers SpA

*Signed by*

Andrea Brivio  
(Partner)

*This report has been translated into English from the Italian original solely for the convenience of international readers*