

First half 2022 results: robust growth in revenue and margins, net debt in line with targets

Stenthened positive market environment, and further recovery of the Group's operating performance, with business volumes and revenues returning to pre-pandemic levels.

- Revenues¹ for H1 of €4,435 million (+40% compared to 2021) and adjusted¹ EBITDA of €321 million (negative €266 million in 2021).
- Growth strengthening in Q2 with revenues¹ of €2,493 million, +28% compared to Q1, and adjusted¹ EBITDA of €176 million, +21% compared to Q1.
- €5.8 billion order intake² in H1, of which more than half in offshore E&C and drilling activities, in line with Strategic Plan priorities.
- Continued progress in the implementation of the Plan in particular, asset valorisation, liquidity improvement initiatives (sale of the onshore drilling and FPSO vessel Cidade de Vitória) and cost reduction initiatives.
- Net debt post-IFRS-16 at €1.7 billion (prior to capital increase).
- Capital increase of €2 billion completed on 15 July 2022.

H1 results improve visibility on the 2022 and Strategic Plan targets, which are confirmed.

This press release also provides the information required on a quarterly basis by Consob on 10 May 2022, pursuant to Article 114(5) of the Consolidated Law on Finance.

¹ Including discontinued operations (onshore drilling)

² Before the backlog reduction in Onshore E&C in the first quarter, including discontinued operations (drilling onshore)

San Donato Milanese, 27 July 2022 - The Saipem SpA Board of Directors, chaired by Silvia Merlo, approved, yesterday, the Consolidated Half-Year Financial Report as of 30 June 2022².

Highlights of the first half year

As a result of the announced sale of Onshore Drilling, the results of the divested segment were recognised as *discontinued operations* in accordance with the provisions of IFRS 5. The comparative periods have been restated in accordance with this accounting treatment in all parts of this release.

For comparative purposes, the main figures are shown below with reference to both the scope including discontinued operations and continuing operations only.

- **Revenues:** €4,435 million, including revenues from discontinued operations, +39% compared to the first half of 2021; revenues from *continuing operations* of €4,187 million +38%.
- **Adjusted EBITDA:** €321 million, including discontinued operations, equal to 7.2% of revenues compared to a loss of €266 million in the first half of 2021. Adjusted EBITDA from *continuing operations* of €263 million, equal to 6.3% of revenues.
 - **Net income:** loss of €130 million (loss of €779 million in the first half of 2021)
 - **Capital expenditure:** €112 million, including discontinued operations, compared to €135 million in the first half of 2021; capital expenditure in *continuing operations* of €86 million.
- **Net debt post IFRS-16:** €1,703 million (€1,541 million as of December 31, 2021).
- **Net debt before IFRS-16:** €1,395 million (€1,223 million as of December 31, 2021).
- **Order intake:** €4,866 million including *discontinued operations*, after the backlog reduction in the Onshore E&C in the first quarter; order intake of *continuing operations* of €4,228 million.
- **Backlog:** €22,984 million including *discontinued operations* (€24,594 million including the backlog of non-consolidated companies); *continuing operations* backlog of €21,097 million (€22,707 million including the backlog of non-consolidated companies). The total amount of backlog was reduced by € 180 million for the cancellation of the Moscow Refinery contract in Russia, following termination during the second quarter.
- **Outlook:** targets of the 2022-2025 Strategic Plan are confirmed (including 2022 adjusted EBITDA of over €500 million and net debt post IFRS-16 at year-end of around €800 million, excluding the expected proceeds from the disposal of Onshore Drilling).

Commenting on the results, Francesco Caio, CEO of Saipem said:

"Saipem has closed a first half of growth and return to operating profit that puts the company back on a path of sustainable development. Revenues have grown by 40% compared to H1 of last year and gross operating margin (EBITDA adjusted) was €321

²The Consolidated Half-Year Financial Report is drawn up in accordance with the IAS 34 accounting standard "Interim Financial Statements" and subject to limited audit under completion. The Consolidated Half-Year Financial Report was made available by the Board of Statutory Auditors and by the Auditing Firm

million compared to a loss of €266 million in the same period last year. These results confirm the validity of the strategic and organisational choices, which have allowed us to intercept the opportunities of the new investment cycle in our reference sectors, and reward the work done by the entire management team, which has grown stronger over time. On the basis of these results, we look forward with confidence to the objectives for the year and for the Plan also thanks to the successful completion of the capital increase on 15 July".

Financial Highlights*

(€ million)

second quarter 2021	first quarter 2022	second quarter 2022	second quarter 2022 vs second quarter 2021 (%)	Continuing Operations	first half 2021	first half 2022	1H 2022 vs 1H 2021 (%)
1,502	1,824	2,363	57.3	Revenue	3,042	4,187	37.6
(475)	102	142	ns	EBITDA	(416)	244	ns
(369)	115	148	ns	Adjusted EBITDA	(296)	263	ns
(572)	2	25	ns	Operating result (EBIT)	(606)	27	ns
(466)	15	31	ns	Adjusted operating result (EBIT)	(486)	46	ns
(638)	(93)	(30)	(95.3)	Continuing operations net result	(739)	(123)	(83.4)
(532)	(79)	(24)	(95.5)	Continuing operations adjusted net result	(619)	(104)	(83.2)
(659)	(98)	(32)	(95.1)	Net Result	(779)	(130)	(83.3)
(551)	(85)	(23)	(95.8)	Adjusted net result	(656)	(108)	(83.5)
65	(168)	(447)	ns	Free cash flows	(119)	(615)	ns
1,101	956	1,395	26.7	Net debt pre-IFRS 16 lease liabilities	1,101	1,395	26.7
1,397	1,251	1,703	21.9	Net debt post-IFRS 16 lease liabilities	1,397	1,703	21.9
63	37	49	(22.2)	Capital expenditure	123	86	(30.1)
2,637	2,283	1,945	(26.2)	New contracts	4,216	4,228	0.3

* The results of the Onshore Drilling segment being divested, have been recognized as discontinued operations in accordance with the criteria set out in IFRS. The comparison periods have been restated for comparative purposes.

Revenues and associated profit levels are not consistent over time, as they are influenced not only by market performance but also by climatic conditions and individual project schedules in the Engineering and Construction sector, and by contract expiry and renegotiation timing in the Drilling sector.

Continuing and Discontinued Operations and Non-current Assets Held for Sale

The results of operations, financial position, and cash flows for the first half and second quarter are represented, as well as overall, by distinguishing continuing operations from discontinued operations, by recognising the latter in accordance with IFRS 5.

The Onshore Drilling business is recognised in discontinued operations as of 1 June 2022, Saipem and KCA Deutag ('KCA') signed an agreement for the sale of the Onshore Drilling business (the 'DRON') for a consideration that includes a cash component of \$550 million and a 10% of KCA's class A ordinary shares. The transaction does not involve any transfer of financial debts from Saipem to KCA.

The DRON sale is in line with the 2022-2025 Strategic Plan, with a view to active management of the asset portfolio.

Considering that the above-mentioned transaction will take place in Q4 2022, the sector contributes to results as "discontinued operation" in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

In this press release, the Onshore Drilling business is represented as a "discontinued operation" under the provisions of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations."

Therefore, the results of operations of the discontinued operations are presented separately from continuing operations in a single line in the income statement and limited only to transactions with third parties. The financial results for the comparison period have been presented again in accordance with the provisions of IFRS 5.

In addition, on 27 June 2022, Saipem and BW Energy signed a Memorandum of Agreement (MoA) for the sale, for \$73 million, of the floating production, storage, and offloading (FPSO) unit Cidade de Vitória, currently owned by Saipem and operated operationally on behalf of Petrobras in the Golfinho field, off the coast of Brazil. Also in accordance with IFRS 5, this asset meets the criteria to be classified as held for sale has been shown separately from other assets in the balance sheet.

Reorganisation: impact on reporting

As for January 2022, the Company has implemented a new organisation for four business lines: Asset Based Services, Energy Carriers, Robotics and Industrialized Solutions, and Sustainable infrastructures and is consequently adjusting its reporting structure in accordance with IFRS 8.

Since the Company has not yet established a management control system in line with the new organizational structure and therefore separate financial statement information as required by IFRS 8 is not available as of today, the Company, also in order to facilitate the financial market's understanding of the development of economic/financial performance during 2022, in continuity with previous years maintains the reporting structure based on the four divisions Engineering & Construction Offshore, Engineering & Construction Onshore, Drilling Offshore and Drilling Onshore.

Management update 2022 - continuing operations

Revenues amounted to €4,187 million (€3,042 million in the first half of 2021) and adjusted EBITDA amounted to €263 million (loss of €296 million in the first half of 2021). The improvement is mainly recorded in all the activities of the Offshore Engineering & Construction sector and in the drilling sector, as commented below in the paragraph "Analysis by business sector".

The continuing operations **adjusted net result** amounted to a loss of €104 million (a loss of €619 million in the first half 2021). The positive change recorded in adjusted operating income, 532 million euros, is reduced by the slight deterioration in the balance of tax and financial operations totalling 17 million euros.

The continuing operations **net result** shows a loss of 123 million euros (loss of 739 million euros in first half 2021) and discounts covid-19 costs of about 14 million euros and reorganization charges of 5 million euros against the adjusted net result.

The **net result**, including the net result from discontinued operations of €7 million, recorded a loss of €130 million.

Adjusted EBIT - EBIT reported reconciliation

	(€ million)			
	Offshore E&C	Onshore E&C	Offshore Drilling	Total*
Adjusted EBIT	16	(18)	48	46
Costs for COVID-19 healthcare emergency	11	3	-	14
Re-organization expenses	1	4	-	5
Total special items	(12)	(7)	-	(19)
Reported EBIT	4	(25)	48	27

* Does not include charges from the health emergency of €2 million and reorganisation charges of €1 million from discontinued operations (onshore drilling).

In the corresponding period of 2021, net income from continuing operations recorded a loss of 739 million euros and discounted the following special items from the adjusted net income:

- provision for expenses amounting to about €75 million for a legal dispute concerning a project already completed, resulting from the periodic legal monitoring of the evolution of the overall disputes;
- costs deriving from the healthcare emergency for about €33 million. This amount includes the costs incurred in the period directly attributable to the COVID-19 pandemic, such as costs for the resources on stand-by, in cases where activities at operating sites and onboard vessels were suspended by the

authorities, for the purchase of personal protective equipment and devices in addition to the standard requirements, for sanitising work areas and for the organisation of return charter flights for people;

- reorganization expenses of €12 million.

Capital expenditure in first half 2022, mainly relating to maintenance and upgrading, amounted to €86 million (€123 million in first half 2021), broken down as follows:

- €67 million in Offshore Engineering & Construction;
- €7 million in Onshore Engineering & Construction;
- €12 million in Offshore Drilling.

Net debt as of June 30, 2022 before IFRS-16 lease liability amounted to €1,395 million, which, net of the payment made by the shareholder Eni for €458 million, recorded an increase of €630 million compared to December 31, 2021 (€1,223 million), mainly due to the cash absorption of projects subject to backlog review, the negative trend in the balance of advances from customers and suppliers, and capital expenditure for the period. Net debt including IFRS-16 lease liability of €308 million amounted to €1,703 million.

Gross debt before IFRS-16 lease liability as of June 30, 2022 amounted to €3,715 million, liquidity to €2,320 million and available cash to €983 million.

Financing Package

On 15 July 2022, the subscription of the capital increase involving 1,974,327,430 new shares with a total value of 1,999,993,686.59 euros, of which 41,460,876.03 euros was capital and 1,958,532,810.56 euros was share premium, was completed. Specifically, as of 11 July 2022, option rights had been exercised to subscribe for about 70% of the total number of new shares, of which about 44% were subscribed for by shareholders exercising joint control over the Company. The remaining 30% of unexercised option rights were offered on Euronext Milan in the sessions of 12 and 13 July 2022 during which approximately 9.9% of the total new shares were subscribed. Finally, under the terms of the underwriting agreement, on 15 July 2022, the remaining newly issued shares that were unexercised were subscribed by the financial institutions involved in the strengthening manoeuvre for a total value of 592,327,964.76 euros.

On the same date of 15 July 2022, the entire countervalue of the capital increase has been cashed in, specifically, in addition to the amount already received from the shareholders Eni SpA and CDP Industria SpA in March 2022; the Company has cashed in the funds arising from the shares subscribed by the market and the financial institutions involved in the strengthening manoeuvre.

In addition, on 18 July 2022, the Company repaid the "SACE Facility" for the full amount of 852 million euros, previously used in July to repay the "Tranche A" loan of the Liquidity Facility disbursed on 4 April 2022 for an amount of €680 million.

Continuing operations backlog

In first half 2022 Saipem was awarded new contracts amounting to a total of €4,228 million (€4,216 million in first half 2021). The backlog as of 30 June 2022 amounted to €21,097 million (€7,727 million in Offshore Engineering & Construction, €12,485 million in Onshore Engineering & Construction, €885 million in Offshore Drilling, of which €4,267 million to be executed in 2022. The total amount includes the effects of cancellation of the remaining orders of the Moscow Refinery contract in Russia for €180 million, following termination during the second quarter.

The order backlog including unconsolidated companies as of 30 June 2022, amounted to 22,707 million euros (7,750 million euros in Offshore Engineering & Construction, 14,072 million euros in Onshore Engineering & Construction, and 885 million euros in Offshore Drilling), of which 4,878 million euros are to be executed in 2022.

This press release must be read in conjunction with the Annual Financial Report as of 31 December 2021 and the Consolidated Half-Year Financial Report as of 30 June 2021 of Saipem S.p.A., which are already available on the Company's website (www.saipem.com), under the section "Investor Relations /Financial information".

Paolo Calcagnini, Chief Financial Officer declares pursuant to Article 154a(2) of the Consolidated Law on Finance that the accounting information corresponds to the documentary results, books and accounting records.

Forward-looking data and information must be considered "forward-looking statements" and, therefore, not based on mere historical facts, by their nature have a component of risk and uncertainty, given that they also depend on the occurrence of future events and developments outside the control of the Company, such as: changes in exchange rates, changes in interest rates, volatility in commodity prices, credit risk, liquidity risk, HSE risk, investments in the oil industry and other industrial sectors, political instability in areas where the Group is present, competitive actions, success in commercial negotiations, the risk of project execution (including those relating to investments in progress), the Covid-19 pandemic evolution (including its impacts on our business, our projects running around the world and our supply chain), as well as changes in the expectations of stakeholders and other changes in business conditions. Actual results could therefore differ materially from the forecasts. The financial reports contain in-depth analyses of some of the aforementioned risks. Forward-looking statements and data are to be considered in the context of the date of their release.

Conference call and webcast

The results contained in this press release will be presented today at 10:00 am Italian time during a conference call and webcast by CEO Francesco Caio, General Manager Alessandro Puliti and CFO Paolo Calcagnini. The conference call can be joined by webcast, via the Company's website www.saipem.com, by clicking on the banner 'FIRST HALF 2022 RESULTS' on the home page, or following the URL <https://edge.media-server.com/mmc/p/m3ps7gwa>.

A presentation will be illustrated during the webcast conference call, which can be downloaded, approximately 30 minutes before the scheduled start time, from the webcast window or from the "Investor Relations/Quarterly Results and Documentation/Archive" section of www.saipem.com. The presentation will also be made available at the authorized storage mechanism "eMarketSTORAGE" (www.emarketstorage.com) and on the website of Borsa Italiana SpA (www.borsaitaliana.it).

Saipem is an advanced technological and engineering platform for the design, construction, and operation of complex, safe, and sustainable infrastructures and plants. Always oriented towards technological innovation, Saipem is today committed to working alongside its customers on the frontier of the energy transition with increasingly digital means, technologies and processes oriented from their conception to environmental sustainability. It is listed on the Milan stock exchange and operates in over 70 countries around the world with 32 thousand employees from 130 different nationalities.

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Analysis by business sector - Continuing Operations - adjusted result:
Offshore Engineering & Construction

(€ million)

second quarter 2021	first quarter 2022	second quarter 2022	second quarter 2022 vs second quarter 2021 (%)		first half 2021	first half 2022	1H 2022 vs 1H 2021 (%)
475	832	1,240	ns	Revenue	1,032	2,072	ns
(754)	(767)	(1,139)	51.1	Costs	(1,303)	1,906	46.3
(279)	65	101	ns	Adjusted EBITDA	(271)	166	ns
(64)	(66)	(84)	31.3	Depreciation and amortisation	(124)	(150)	21.0
(343)	(1)	17	ns	Adjusted operating result	(395)	16	ns
(58.7)	7.8	8.1		Adjusted EBITDA %	(26.3)	8.0	
(72.2)	(0.1)	1.4		Adjusted EBIT %	(38.3)	0.8	
1,019	1,311	1,051		New contracts	2,379	2,362	

Backlog as of 30 June 2022: 7,727 million euros, including 2,108 million euros to be executed in 2022.

- Revenues for first half 2022 amounted to 2,072 million euros, which more than doubled compared to the corresponding period of 2021, mainly due to higher volumes developed in the Middle East, Central South America and Sub-Saharan Africa.
- Adjusted EBITDA for first half 2022 was positive for 166 million euros, with a margin of 8% of revenues, compared to a negative 271 million euros in the corresponding period of 2021. The 2021 result was weighed down mainly by the impacts of operational issues experienced on a wind project in the North Sea and the lack of contribution from new contracts to replace projects terminated in 2020.
- The most significant acquisitions during second quarter are related to four new contracts in the Middle East on behalf of Saudi Aramco, including engineering, procurement, construction, and installation of various offshore jackets, bridges, subsea pipelines, composite underwater cables, umbilicals, fiber optic cables, and brownfield modifications.

Onshore Engineering & Construction

(€ million)

second quarter 2021	first quarter 2022	second quarter 2022	second quarter 2022 vs second quarter 2021 (%)		first half 2021	first half 2022	1H 2022 vs 1H 2021 (%)
938	863	963	2.7	Revenue	1,843	1,826	(0.9)
(1,051)	(853)	(962)	(8.5)	Costs	(1,913)	(1,815)	(5.1)
(113)	10	1	ns	Adjusted EBITDA	(70)	11	ns
(17)	(15)	(14)	(17.6)	Depreciation and amortisation	(35)	(29)	17.1
(130)	(5)	(13)	90.0	Adjusted operating result	(105)	(18)	ns
(12.0)	1.2	0.1		Adjusted EBITDA %	(3.8)	0.6	
(13.9)	(0.6)	(1.3)		Adjusted EBIT %	(5.7)	(1.0)	
1,536	311	741		New contracts	1,711	1,052	

Backlog as of 30 June 2022: 12,485 million, including the cancellation of the Moscow Refinery contract in Russia for 180 million euros, following termination, in the second quarter of 2022, of which 1,977 million euros is to be executed in 2022.

- Revenues for the first half 2022 amounted to €1,826 million, slightly down from the corresponding period of 2021, as lower volumes developed in Sub-Saharan Africa were largely offset by higher volumes developed in South America, Middle East and Far East.
- Adjusted EBITDA for first half 2022 was positive for 11 million euros, with a margin of 0.6% of revenues, compared with a negative 70 million euros in the corresponding period of 2021, whose margins were affected by the suspension of the LNG contract in Mozambique and the extra costs of extending the execution time of a project in the Middle East due to the consequences related to COVID-19.
- The most significant awards in the second quarter were related to:
 - on behalf of Perdaman Industries, a contract to develop the urea plant on the Burrup Peninsula northwest of Karratha, along the coast of Western Australia. The scope of work includes engineering, supply of equipment and materials, construction, pre-commissioning and commissioning (EPC) for the execution of a state-of-the-art urea plant with a capacity of 2.14 million tonnes per year;
 - on behalf of Coral FLNG SA a contract for maintenance services for the Coral Sul FLNG (Floating Liquefied Natural Gas) unit for natural gas liquefaction in offshore Mozambique about 250 km northeast of Pemba and 50 km off the coast of Mozambique.

Offshore Drilling

(€ million)

second quarter 2021	first quarter 2022	second quarter 2022	second quarter 2022 vs second quarter 2021 (%)		first half 2021	first half 2022	1H 2022 vs 1H 2021 (%)
89	129	160	79.8	Revenue	167	289	73.1
(66)	(89)	(114)	72.7	Costs	(122)	(203)	66.4
23	40	46	ns	Adjusted EBITDA	45	86	91.1
(16)	(19)	(19)	18.8	Depreciation and amortisation	(31)	(38)	22.6
7	21	27	ns	Adjusted operating result	14	48	ns
25.8	31.0	28.8		Adjusted EBITDA %	26.9	29.8	
7.9	16.3	16.9		Adjusted EBIT %	8.4	16.6	
82	661	153		New contracts	126	814	

Backlog as of 30 June 2022: 885 million euros, including 182 million euros to be executed in 2022.

- Revenues for first half 2022 amounted to 289 million euros, in increase of 73% compared to the corresponding period of 2021, mainly due to the higher contribution of the semi-submersible platform Scarabeo 9 idle in the corresponding period of 2021, the jack up Perro Negro 8, idle for cyclical maintenance activities for about three months in first half 2021, as well as the contribution of the drilling vessel Santorini chartered from third parties since fourth quarter 2021.
- Adjusted EBITDA for the first half of 2022 amounted to €86 million, with a margin of 29.8% of revenues, compared to €45 million in the corresponding period of 2021, with a margin of 26.9%, due to the full operation of fleet vessels.

The utilization of major vessels in the first half of 2022:

<i>Vessel</i>	<i>1H 2022</i>	
	<i>under contract</i>	<i>idle</i>
	<i>(days)</i>	
Semi-submersible platform Scarabeo 5	181	-
Semi-submersible platform Scarabeo 8	181	-
Semi-submersible platform Scarabeo 9	181	-
Drillship Saipem 10000	181	-
Drillship Saipem 12000	181	-
Jack up Perro Negro 4	181	-
Jack up Perro Negro 7	181	-
Jack up Perro Negro 8	181	-
Jack up Pioneer Jindal*	181	-
Jack up Sea Lion 7*	181	-
Jack up Perro Negro 9*	181	-
Tender Assisted Drilling Barge	-	181 (a)

(a) = vessels intended for divestment according to current legislation (green recycling)

*vessels leased by third parties

Discontinued operations - Onshore Drilling:

(€ million)

second quarter 2021	first quarter 2022	second quarter 2022	second quarter 2022 vs second quarter 2021 (%)		first half 2021	first half 2022	1H 2022 vs 1H 2021 (%)
80	118	130	62.5	Revenue	158	248	57.0
(65)	(88)	(102)	56.9	Costs	(128)	(190)	48.4
15	30	28	86.7	Adjusted EBITDA	30	58	93.3
(30)	(31)	(20)	(33.3)	Depreciation and amortisation	(59)	(51)	(13.6)
(15)	(1)	8	ns	Adjusted operating result	(29)	7	ns
18.8	25.4	21.5		Adjusted EBITDA %	19.0	23.4	
(18.8)	(0.8)	6.2		Adjusted EBIT %	(18.4)	2.8	
171	73	565		New contracts	186	638	

Backlog as of 30 June 2022: € 1,887 million.

- Revenues in first half 2022 amounted to €248 million, increasing by 57% compared to the corresponding period of 2021, mainly as a result of the higher volumes developed in Saudi Arabia.
- Adjusted EBITDA in first half 2022 amounted to €58 million, with a margin equal to 23.4% of revenues, an increase compared to the €30 million in the same period in 2021, equal to 19.0% of revenues.
- EBITDA in first half 2022 amounted to €55 million, compared to €27 million in first half 2021, and was affected by €2 million of covid-19 costs and €1 million of reorganisation charges (€3 million of covid-19 costs in the corresponding period of 2021).
- The operating result amounted to €4 million (loss of €32 million in first half 2021); financial expenses of €3 million and taxes of €8 million led the net result from discontinued operations to a loss of €7 million (€40 million in first half 2021).
- The most significant acquisitions during the second quarter mainly concern extensions of existing contracts for four rigs in Saudi Arabia for 10-years.

Average utilisation of rigs stood at 48.1% (35.4% in the same period of 2021), also including the Venezuelan rigs. The average utilisation excluding the Venezuelan rigs is 60.5% (44.6% in the same period of 2021).

The highest utilisation rate was recorded in the regions of Europe, Middle East, and Africa, where contracted fleets have improved their performances compared to 2021 with 78.3% of days sold (55% in the corresponding period of 2021).

The number of rigs in the region as of 30 June 2022, was 36 (same as in the corresponding period of 2021). In addition, 1 unit owned by third parties was used in the Congo.

In Latin America, an average utilisation rate of 25% was recorded, slightly higher than the 20.4% recorded in the corresponding period of 2021. This increase is due to a greater use of equipment in Peru, although the percentage is weighed down by the rigs in Venezuela, which is idle and already totally devalued. The number of rigs in use in the region as of 30 June 2022 was 30 (equal to the corresponding period of 2021, not including the 17 rigs located in Venezuela).

Attachments:

- reclassified consolidated balance sheet, reclassified consolidated income statements by nature and function of expenses and reclassified statement of cash flow

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(€ million)

	31 December 2021	30 June 2022
Net tangible assets	3,113	2,610
Right-of-Use assets	261	249
Intangible assets	<u>699</u>	<u>696</u>
	4,073	3,555
Equity investments	127	89
Non-current assets	4,200	3,644
Net current assets	(2,070)	(1,690)
Employee benefits	(238)	(179)
Assets available for disposal	-	553
NET EMPLOYED CAPITAL	1,892	2,328
Equity	326	600
Non-controlling interests	25	25
Net debt pre IFRS-16 lease liabilities	1,223	1,395
Lease liabilities	318	308
Net debt	1,541	1,703
FUNDING	1,892	2,328
Leverage post IFRS-16 (net borrowing/equity + non-controlling interests)	4.39	2.72
NUMBER OF SHARES ISSUED AND OUTSTANDING	1,010,977,439	1,995,558,791

CONSOLIDATED INCOME STATEMENT RECLASSIFIED BY NATURE OF EXPENSES

(€ million)

Q2 2021	Q1 2022	Q2 2022		First Half	
				2021	2022
1,502	1,824	2,363	Core business revenue	3,042	4,187
1	-	5	Other revenue and income	2	5
(1,554)	(1,317)	(1,794)	Purchases, services and other costs	(2,669)	(3,111)
(47)	(23)	(29)	Net reversals of impairment losses (impairment losses) on trade receivables and other assets	(50)	(52)
(377)	(382)	(403)	Payroll and related costs	(741)	(785)
(475)	102	142	GROSS OPERATING MARGIN	(416)	244
(97)	(100)	(117)	Depreciation, amortisation and impairment losses	(190)	(217)
(572)	2	25	OPERATING MARGIN	(606)	27
(24)	(23)	(36)	Finance expense	(54)	(59)
(15)	(43)	19	Gains (losses) on equity investments	(25)	(24)
(611)	(64)	8	EARNINGS BEFORE TAXES	(685)	(56)
(27)	(29)	(38)	Income taxes	(54)	(67)
(638)	(93)	(30)	EARNINGS BEFORE NON-CONTROLLING INTERESTS	(739)	(123)
-	-	-	Result attributable to non-controlling interests	-	-
(638)	(93)	(30)	NET RESULT - Continuing Operations	(739)	(123)
(21)	(5)	(2)	NET RESULT - Discontinued Operations	(40)	(7)
(659)	(98)	(32)	NET RESULT	(779)	(130)

CONSOLIDATED INCOME STATEMENT RECLASSIFIED BY DESTINATION

(€ million)

Q2 2021	Q1 2022	Q2 2022		First Half	
				2021	2022
1,502	1,824	2,363	Core business revenue	3,042	4,187
(1,937)	(1,705)	(2,233)	Production costs	(3,365)	(3,938)
(43)	(46)	(30)	Idle costs	(109)	(76)
(46)	(30)	(27)	Selling expenses	(84)	(57)
(8)	(5)	(7)	Research and development expenses	(15)	(12)
2	1	(4)	Other net operating income (expenses)	3	(3)
(530)	39	62	CONTRIBUTION FROM OPERATIONS	(528)	101
(42)	(37)	(37)	General expenses	(78)	(74)
(572)	2	25	OPERATING MARGIN	(606)	27
(24)	(23)	(36)	Finance expense	(54)	(59)
(15)	(43)	19	Gains (losses) on equity investments	(25)	(24)
(611)	(64)	8	EARNINGS BEFORE TAXES	(685)	(56)
(27)	(29)	(38)	Income taxes	(54)	(67)
(638)	(93)	(30)	EARNINGS BEFORE NON-CONTROLLING INTERESTS	(739)	(123)
-	-	-	Result attributable to non-controlling interests	-	-
(638)	(93)	(30)	NET RESULT - Continuing Operations	(739)	(123)
(21)	(5)	(2)	NET RESULT - Discontinued Operations	(40)	(7)
(659)	(98)	(32)	NET RESULT	(779)	(130)

RECLASSIFIED CASH FLOW STATEMENT

(€ million)

Q2 2021	Q1 2022	Q2 2022		First Half	
				2021	2022
(638)	(93)	(30)	Group Result for the Period - Continuing Operations	(739)	(123)
-	-	-	Result of the period of third parties	-	-
			<i>adjustments:</i>		
360	17	(40)	Depreciation, amortization and other non-monetary items	431	(23)
385	(7)	(312)	Changes in working capital related to operations	302	(379)
107	(143)	(382)	Net cash flow from continuing operations for the period	(6)	(525)
26	20	1	Net cash flow from discontinued operations for the period	20	21
(63)	(37)	(49)	Capital expenditure continuing operations	(123)	(86)
(5)	(8)	(18)	Capital expenditure discontinued operations	(12)	(26)
-	-	-	Investments in equity, consolidated subsidiaries and business units	-	-
-	-	1	Disposals	2	1
65	(168)	(447)	Free cash flows	(119)	(615)
-	-	-	Treasury shares repurchased	-	-
-	-	-	Share capital increase net of expenses	-	-
-	458	-	Cash flow from capital and reserves	(26)	458
(64)	(29)	(28)	Repayment of lease liabilities	(85)	(57)
(1)	6	36	Exchange differences on net financial debt and other changes	1	42
-	267	(439)	Change in net financial debt before lease liabilities	(229)	(172)
51	23	(13)	Change in lease liabilities	58	10
51	290	(452)	Change in net financial debt	(171)	(162)
1,448	1,541	1,251	Beginning of period net financial debt	1,226	1,541
1,397	1,251	1,703	End-of-period net financial debt	1,397	1,703

Information upon request of Consob pursuant to Article 114, paragraph 5 of Legislative Decree No. 58/98 ("TUF")

* * *

At the request of CONSOB received on May 10, 2022 and motivated by the need for the market to be kept constantly informed following the existence of "uncertainties regarding the ability of the Company (and "the Saipem Group") to continue as a going concern", as reflected in the audit reports on the Company's statutory and consolidated financial statements as of December 31, 2021, the information requested by the Regulatory Authority is provided in this press release.

It should also be noted that on July 15, 2022, the Group carried out the Saipem capital increase approved by the Extraordinary Shareholders' Meeting held on May 17, 2022.

The prospect of the fulfilment of these circumstances, as highlighted in the reports to the aforementioned financial statements, constituted the assumption, now realised, of the Company as a going concern.

The following information at June 30, 2022 concerning Saipem Spa and its Group is provided:

a) Net Financial Position of Saipem Spa and the Saipem Group at June 30, 2022, showing short-term components separately from medium/long-term components

The table below shows the financial position at June 30, 2022, of Saipem Spa and Saipem Group, prepared in accordance with the provisions of Consob document 5/21 of April 29, 2021, which implements the ESMA guidelines, compared with the position at December 31, 2021.

Net Financial Position of Saipem Spa

(€ million)	Dec. 31, 2021			30 June 2022		
	Current	Non - current	Total	Current	Non - current	Total
A. Cash and cash equivalents	889	-	889	955	-	955
B. Cash and cash equivalents	-	-	-	-	-	-
C. Other current financial assets:						
- financial assets measured at fair value through OCI	-	-	-	-	-	-
- Loan assets	267	-	267	348	-	348
D. Liquidity (A+B+C)	1,156	-	1,156	1,303	-	1,303
E. Current financial debt:	1,448	-	1,448	1,550	-	1,550
Current financial liabilities						
to banks	226	-	226	965	-	965
Current financial liabilities						
Related parties	1,182	-	1,182	540	-	540
- Other current financial liabilities		-				
- Lease liabilities	39	-	39	45	-	45
F. Current part of non-current						
Non-current financial debt:	63	-	63	63	-	63
Non-current financial liabilities						
to banks	63	-	63	63	-	63
- Ordinary bonds	-	-	-	-	-	-
G. Current financial debt (E+F)	1,511	-	1,511	1,612	-	1,612
H. Current financial debt (E+F)						
net (G-D)	355	-	355	309	-	309
I. Non-current financial debt:	-	157	157	-	129	129
Non-current financial liabilities						
to banks	-	113	113	-	93	93
Non-current financial liabilities						
Related parties	-	-	-	-	-	-
- Lease liabilities	-	45	45	-	36	36
J. Debt instruments:	-	-	-	-	-	-
- Ordinary bonds	-	-	-	-	-	-
K. Trade payables and other liabilities						
Non-current	-	-	-	-	-	-
L. Non-current financial debt (I+J + K)	-	157	157	-	129	129
M. Total financial debt						
as per Consob document no. 5/21 of 29 April 2021 (H+L)	355	157	512	309	129	438

Net debt of Saipem Spa includes the financial asset related to the IRS contract, amounting to €265 thousand, while it does not include the fair value of derivative contracts amounting to €101 million (€51 million at 31 December 2021).

Reconciliation of net debt

(million of euros)	Dec. 31, 2021			30 June 2022		
	Current	Non - current	Total	Current	Non - current	Total
M. Total financial debt as per Consob document no. 5/21 of 29 April 2021 (H+L)	355	157	512	309	129	438
N. Non-current loan assets	-	-	-	-	-	-
O. Lease assets	-	-	-	-	-	-
P. Net financial debt (M-N-O)	355	157	512	309	129	438

At June 30, 2022, Saipem Spa reported a Net Debt before lease liabilities of €357 million (€428 million at December 31, 2021) and a Net Debt including lease liabilities of €438 million (€512 million at December 31, 2021).

Saipem Group Net Financial Position

(€ million)	Dec. 31, 2021			30 June 2022		
	Current	Non - current	Total	Current	Non - current	Total
A. Cash and cash equivalents	1,632	-	1,632	1,680	-	1,680
B. Cash and cash equivalents	-	-	-	-	-	-
C. Other current financial assets:						
- Financial assets measured at fair value with OCI effects	59	-	59	71	-	71
- Loan assets	566	-	566	506	-	506
D. Liquidity (A+B+C)	2,257	-	2,257	2,257	-	2,257
E. Current financial debt:	559	-	559	1,333	-	1,333
Current financial liabilities to banks	367	-	367	859	-	859
Current financial liabilities Related parties	18	-	18	199	-	199
- Other current financial liabilities	27	-	27	97	-	97
- Lease liabilities	147	-	147	178	-	178
F. Current part of non-current Non-current financial debt:	697	-	697	193	-	193
Non-current financial liabilities to banks	151	-	151	154	-	154
- Ordinary bonds	546	-	546	39	-	39
G. Current financial debt (E+F) (E+F)	1,256	-	1,256	1,526	-	1,526
H. Current financial debt (E+F) net (G-D)	(1,001)	-	(1,001)	(731)	-	(731)
I. Non-current financial debt:	-	686	686	-	574	574
Non-current financial liabilities to banks	-	439	439	-	373	373
Non-current financial liabilities Related parties	-	-	-	-	-	-
- Lease liabilities	-	247	247	-	201	201
J. Debt instruments:	-	1,993	1,993	-	1,994	1,994
- Ordinary bonds	-	1,993	1,993	-	1,994	1,994
K. Trade payables and other liabilities Non-current	-	-	-	-	-	-
L. Non-current financial debt (I+J + K) (I+J+K)	-	2,679	2,679	-	2,568	2,568
M. Total financial debt as per Consob document no. 5/21 of 29 April 2021 (H+L)	(1,001)	2,679	1,678	(731)	2,568	1,837

Reconciliation of net financial debt

(€ million)	Dec. 31, 2021			30 June 2022		
	Current	Non - current	Total	Current	Non - current	Total
M. Total financial debt as per Consob document no. 5/21 of 29 April 2021 (H+L)	(1,001)	2,679	1,678	(731)	2,568	1,837
N. Non-current loan assets	-	61	61	-	63	63
O. Lease assets	30	46	76	40	31	71
P. Net financial debt (M-N-O)	(1,031)	2,572	1,541	(771)	2,474	1,703

Net debt at June 30, 2022 before IFRS-16 lease liability amounted to €1,395 million, which, net of the payment made by the shareholder Eni for €458 million, recorded an increase of €630 million compared to December 31, 2021 (€1,223 million), mainly due to the cash absorption of projects subject to backlog review, the negative trend in the balance of advances from customers and suppliers, and investments for the period. Net financial debt including IFRS16 lease liability of €308 million amounted to €1,703 million.

- b) **Overdue debt positions of Saipem Spa and the Saipem Group as of June 30, 2022, broken down by type (financial, trade, tax, social security and employee) and related creditor reaction initiatives (reminders, injunctions, suspension of supply, etc.)**

Overdue debt positions of Saipem Spa

The overdue debt positions of Saipem Spa on June 30, 2022 are summarised below.

€ million	Total as of 30.06.2022
Trade payables	124
of which expired by less than three months	93

The level of overdue payables falls within levels that can be considered physiological given the nature and complexity of business. It should also be noted that the balance of advances to suppliers on the same date amounted to €88 million.

There are no overdue financial, tax, social security and employee payables.

Saipem Group overdue debt positions

The following is a summary of the Saipem Group's overdue debt positions as of June 30, 2022.

€ million	Total as of 30.06.2022
Trade payables	297
- of which expired by less than three months	214

The level of overdue payables, amounting to €297 million or about 4.5% of revenues for the year 2021, falls within levels that can be considered physiological given the nature and complexity of business. It should also be noted that the balance of advances to suppliers on the same date was €111 million.

There are no overdue financial, tax, social security and employee payables.

- c) Principal changes in transactions with related parties of Saipem SpA and the Saipem Group since the last annual financial report approved in accordance with Article 154-ter of the Consolidated Finance Act

Transactions carried out by Saipem SpA and the companies included in the scope of consolidation with related parties essentially relate to the provision of services and the exchange of goods with joint ventures, associates and subsidiaries excluded from the scope of consolidation of Saipem SpA, with subsidiaries, joint ventures and associates mainly of Eni SpA, with certain joint ventures and associates of CDP Industria SpA (which took over from CDP Equity SpA on 13 December 2019), with companies controlled by the Italian state, in particular companies in the Snam Group; they are part of ordinary operations and are settled on market terms, i.e. on the terms that would be applied between two independent parties. All transactions were carried out in the interest of Saipem SpA companies.

Trade and other transactions

Trade and other transactions consisted of the following:

((€ million))

Name	Dec. 31, 2021			First half year 2021			
	Trade receivables and other assets	Trade payables, other liabilities, and contract liabilities	Guarantees	Expenses		Revenue	
				Goods	Services ⁽¹⁾	Goods and services	Other
Continuing operations							
Subsidiaries not consolidated on a line-by-line basis							
Smacemex Scarl	5	4	-	-	-	-	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-	-
Total subsidiaries not consolidated on a line-by-line basis	5	4	-	-	-	-	-
Joint ventures and associates							
ASG Scarl ⁽²⁾	1	3	-	-	-	-	-
CCS JV Scarl ⁽²⁾	208	479	-	-	627	704	-
CEPAV (Consorzio Eni per l'Alta Velocità) Due ⁽²⁾	100	327	468	-	82	67	-
CEPAV (Consorzio Eni per l'Alta Velocità) Uno ⁽²⁾	-	-	59	-	-	-	-
Gydan Lng Snc	1	-	-	-	-	7	-
Gydan Yard Management Services (Shanghai) Co Ltd	1	-	-	-	-	1	-
Gygaz Snc	1	-	-	-	-	-	-
KWANDA Suporte Logistico Lda	1	6	-	-	1	2	-
Novarctic Snc	1	-	-	-	-	1	-
Petromar Lda	6	1	-	-	1	4	-
PSS Netherlands BV	31	18	-	-	-	12	-
Saipem Taqa Al Rushaid Fabricators Co Ltd	16	12	-	-	-	-	-
Saipon Snc	1	-	-	-	-	-	-
SAME Netherlands BV	20	-	-	-	-	-	-
Saren BV	61	1	-	-	-	37	-
SCD JV Scarl ⁽²⁾	14	203	-	-	32	54	-
TSGI Mühendislik Insaat Ltd Sirketi	3	-	-	-	-	1	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-	-
Total joint ventures and associates	466	1,050	527	-	743	890	-
Companies controlled by Eni/CDP Industria SpA							
Eni SpA ⁽²⁾	16	2	16	-	-	24	-
Eni Angola SpA	30	1	57	-	-	79	-
Eni Congo SA	18	7	-	-	(3)	11	-
Eni East Sepinggan Ltd	-	-	7	-	-	28	-
Eni Ghana E&P	-	-	2	-	-	12	-
Eni Kenya	4	-	-	-	-	-	-
Eni México, S. de R.L. de Cv	12	-	-	-	-	19	-
Eni New Energy SpA	1	-	-	-	-	1	-
EniProgetti SpA	1	-	-	-	-	2	-
Eni Rewind	-	-	-	-	-	1	-
EniServizi SpA	-	2	-	-	8	-	-
Floaters SpA	2	-	-	-	-	2	-
Naoc - Nigerian Agip Oil Co Ltd	-	120	-	-	-	6	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-	-
Total companies controlled by Eni/CDP Industria SpA	84	132	82	-	5	186	-

(1) The item "Services" includes costs for services, use of third-party assets and other expenses, and net reversals of impairment losses (impairment losses) on trade receivables and other receivables.

(2) Revenue from limited liability consortium companies refer to the retrocession of fees that these companies invoice to the customer and that on the basis of the consortium nature of the investee company are attributed to the consortium partner.

(3) The item "Eni SpA" includes also the transactions with Eni SpA Divisione Exploration & Production, Eni SpA Divisione Gas & Power, Eni SpA Divisione Refining & Marketing.

Trade and other transactions consisted of the following:

(€ million)

Name	Dec. 31, 2021			First half year 2021			
	Trade receivables and other assets	Trade payables, other liabilities, and contract liabilities	Guarantees	Expenses		Revenue	
				Goods	Services ⁽¹⁾	Goods and services	Other
Eni/CDP Industria SpA associates and jointly controlled companies							
Greenstream BV	-	-	-	-	-	1	-
Mellitah Oil&Gas BV	-	-	4	-	-	-	-
Mozambique Rovuma Venture SpA	7	-	-	-	-	46	-
Petrobel Belayim Petroleum Co	18	28	103	-	-	48	-
PetroJunin SA	-	-	2	-	-	-	-
Raffineria di Milazzo	-	-	1	-	-	-	-
Transmediterranean Pipeline Co Ltd	1	-	-	-	-	-	-
Var Energy AS	1	-	-	-	-	42	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-	-
Total Eni/CDP Industria SpA associates and jointly controlled companies	27	28	110	-	-	137	-
Total Eni/CDP Industria SpA companies	111	160	192	-	5	323	-
Companies controlled or owned by the State	24	25	47	-	2	32	-
Total related party transactions - Continuing operations	606	1,239	766	-	750	1,245	-
Incidence (%)	26.92	23.97	9.58	-	39.54	40.93	-
Overall total - Continuing operations	2,251	5,168	7,995	577	1,897	3,042	2
Discontinued operations							
Companies controlled by Eni/CDP Industria SpA							
Eni Congo SA	-	-	-	-	-	7	-
Total companies controlled by Eni/CDP Industria SpA	-	-	-	-	-	7	-
Total related party transactions - Discontinued operations	-	-	-	-	-	7	-
Overall total - Discontinued operations	-	-	-	12	60	158	-
Total related party transactions	606	1,239	766	-	750	1,252	-
Overall total	2,251	5,168	7,995	589	1,957	3,200	2
Incidence (%)	26.92	23.97	9.58	-	38.32	39.13	-

(1) The item "Services" includes costs for services, use of third-party assets and other expenses, and net reversals of impairment losses (impairment losses) on trade receivables and other receivables.

Trade and other transactions as of June 30, 2022 consisted of the following:

(€ million)

Name	June 30, 2022			First half year 2022			
	Trade receivables and other assets	Trade payables, other liabilities, and contract liabilities	Guarantees	Expenses		Revenue	
				Goods	Services ⁽¹⁾	Goods and services	Other
Continuing operations							
Subsidiaries not consolidated on a line-by-line basis							
Smacemex Scarl	5	4	-	-	-	-	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-	-
Total subsidiaries not consolidated on a line-by-line basis	5	4	-	-	-	-	-
Joint ventures and associates							
ASG Scarl ⁽²⁾	1	3	-	-	-	-	-
CCS JV Scarl ⁽²⁾	171	549	-	-	57	84	-
CEPAV (Consorzio Eni per l'Alta Velocità) Due ⁽²⁾	99	305	424	-	124	75	-
CEPAV (Consorzio Eni per l'Alta Velocità) Uno ⁽²⁾	-	1	59	-	-	-	-
Gydan Lng Snc	-	-	-	-	-	3	-
Gydan Yard Management Services (Shanghai) Co Ltd	2	-	-	-	-	1	-
Gygaz Snc	1	-	-	-	-	-	-
KWANDA Suporte Logistico Lda	1	8	-	-	2	2	-
Novartic Snc	2	-	-	-	-	2	-
Petromar Lda	12	-	-	-	(1)	10	-
PSS Netherlands BV	22	2	-	-	-	7	-
Saipem Taqa Al Rushaid Fabricators Co Ltd	17	15	-	-	2	-	-
Saipon Snc	1	-	-	-	-	-	-
SAME Netherlands BV	4	-	-	-	-	37	-
Saren BV	93	1	-	-	-	30	-
SCD JV Scarl ⁽²⁾	49	193	-	-	81	110	-
TSGI Mühendislik Insaat Ltd Sirketi	3	-	-	-	-	-	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-	-
Total joint ventures and associates	478	1,077	483	-	265	361	-

(1) The item "Services" includes costs for services, use of third-party assets and other expenses, and net reversals of impairment losses (impairment losses) on trade receivables and other receivables.

(2) Revenue from limited liability consortium companies refer to the retrocession of fees that these companies invoice to the customer and that on the basis of the consortium nature of the investee company are attributed to the consortium partner.

Trade and other transactions consisted of the following:

(€ million)

Name	June 30, 2022			First half year 2022			
	Trade receivables and other assets	Trade payables, other liabilities, and contract liabilities	Guarantees	Expenses		Revenue	
				Goods	Services ⁽¹⁾	Goods and services	Other
Companies controlled by Eni/CDP Industria SpA							
Eni SpA ⁽²⁾	5	15	11	-	-	4	-
Eni Angola Exploration	5	5	-	-	-	2	-
Eni Angola SpA	44	8	35	-	5	124	-
Eni Congo SA	11	9	-	-	(1)	5	-
Eni Costa d'Avorio	18	8	-	-	-	57	-
Eni East Sepinggan Ltd	-	-	7	-	-	-	-
Eni Gas e Luce SpA	-	-	-	-	1	-	-
Eni Ghana E&P	2	-	2	-	-	2	-
Eni Kenya BV	-	-	-	-	-	21	-
Eni México, S. de R.L. de Cv	11	2	-	-	-	24	-
Eni New Energy SpA	-	-	-	-	-	1	-
EniProgetti SpA	2	-	-	-	-	3	-
Eni Rewind SpA	-	-	-	-	-	-	-
EniServizi SpA	1	-	-	-	2	-	-
Eni US Operating Co Inc	17	31	-	-	-	45	-
Floaters SpA	24	-	-	-	-	24	-
leoc Exploration BV	-	-	-	-	-	-	-
leoc Production BV	1	-	-	-	-	2	-
Naoc - Nigerian Agip Oil Co Ltd	-	130	-	-	-	1	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-	-
Total companies controlled by Eni/CDP Industria SpA	141	208	55	-	7	315	-
Eni/CDP Industria SpA associates and jointly controlled companies							
Greenstream BV	-	-	-	-	-	1	-
Mellitah Oil&Gas BV	7	-	4	-	-	7	-
Mozambique Rovuma Venture SpA	-	-	-	-	-	1	-
Petrobel Belayim Petroleum Co	35	30	149	-	-	59	-
PetroJunin SA	-	-	2	-	-	-	-
Raffineria di Milazzo	-	-	1	-	-	-	-
Solenova Ltd	12	1	-	-	-	10	-
Transmediterranean Pipeline Co Ltd	-	-	-	-	-	-	-
Var Energy AS	-	-	-	-	-	-	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-	-
Total Eni/CDP Industria SpA associates and jointly controlled companies	54	31	156	-	-	78	-
Total Eni/CDP Industria SpA companies	195	239	211	-	7	393	-
Companies controlled or owned by the State							
Total related party transactions - Continuing operations	697	1,349	740	-	276	769	-
Incidence (%)	27.27	24.35	9.23	-	11.87	18.37	-
Overall total - Continuing operations	2,556	5,540	8,019	1,103	2,326	4,187	5
Discontinued operations							
Companies controlled by Eni/CDP Industria SpA							
Eni Congo SA	2	-	-	-	-	3	-
Total companies controlled by Eni/CDP Industria SpA	2	-	-	-	-	3	-
Total related party transactions - Discontinued operations	2	-	-	-	-	3	-
Overall total - Discontinued operations	91	104	42	91	20	248	-
Total related party transactions	699	1,349	740	-	276	772	-
Overall total	2,647	5,644	8,061	1,194	2,346	4,435	5
Incidence (%)	26.41	23.90	9.18	-	11.76	17.41	-

- (1) The item "Services" includes costs for services, use of third-party assets and other expenses, and net reversals of impairment losses (impairment losses) on trade receivables and other receivables.
- (2) The item "Eni SpA" includes also the transactions with Eni SpA Divisione Exploration & Production, Eni SpA Divisione Gas & Power, Eni SpA Divisione Refining & Marketing.

The Saipem Group provides services to Eni Group companies in all sectors in which it operates, both in Italy and abroad.

Existing relations with entities controlled or owned by the State are mainly in relation to the Snam Group.

Other transactions consisted of the following:

(€ million)	Dec. 31, 2021		June 30, 2022	
	Other assets	Other liabilities	Other assets	Other liabilities
CCS JV Scarl	20	-	22	-
CEPAV (Consorzio Eni per l'Alta Velocità) Uno	5	-	1	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-
Total related party transactions - Continuing operations	25	-	23	-
Total related party transactions - Discontinued operations	-	-	-	-
Overall total - Continuing operations	268	216	355	449
Overall total - Discontinued operations	-	-	37	22
Incidence - continuing operations (%)	9.33	-	6.48	-

Related party transactions include also funds for employee benefits for € 6 million as of June 30, 2022 (€7 million as of December 31, 2021).

Financial Transactions

Financial transactions for 2021, excluding net lease liabilities, consisted of the following:

(€ million)	Dec. 31, 2021			First half year 2021		
	Loan assets (1)	Loans and borrowings	Commitments	Expenses	Income	Derivative financial instruments
CCS JV Scarl	344	-	-	-	-	-
Saren BV	-	8	-	-	-	-
Saipon Snc	-	1	-	-	-	-
SCD JV Scarl	208	-	-	-	-	-
Serfactoring SpA	1	-	-	-	-	-
Société pour la Réalisation du Port de Tanger Méditerranée	1	-	-	-	-	-
TSGI Mühendislik Insaat Ltd Sirketi	-	9	-	-	-	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-
Total related party transactions	554	18	-	-	-	-

Financial transactions, excluding net lease liabilities, as of June 30, 2022 consisted of the following:

(€ million)

Name	June 30, 2022			First half year 2022		
	Loan assets (1)	Loans and borrowings	Commitmen ts	Expenses	Income	Derivative financial instruments
CCS JV Scarl	323	-	-	-	1	-
CDP Industria SpA	-	188	-	-	-	-
Eni México, S.de R.L. de C.V	-	-	-	-	1	-
Société pour la Réalisation du Port de Tanger Méditerranée	1	-	-	-	-	-
Saipon	-	1	-	-	-	-
SCD JV Scarl	171	-	-	-	-	-
Serfactoring SpA	1	-	-	-	-	-
TSGI Mühendislik Insaat Ltd Sirketi	-	10	-	-	-	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-
Total related party transactions	496	199	-	-	2	-

The incidence of financial transactions and positions with related parties was as follows:

(€ million)	Dec. 31, 2021			June 30, 2022		
	Total	Related parties	Incidence %	Total	Related parties	Incidence %
Current financial liabilities	412	18	4.37	1,155	199	17.23
Non-current financial liabilities (including current portion)	3,129	-	-	2,560	-	-
Total	3,541	18		3,715	199	

(€ million)	First half year 2021			First half year 2022		
	Total	Related parties	Incidence %	Total	Related parties	Incidence %
Financial income	121	-	-	424	2	0.47
Finance expense	(132)	-	-	(411)	-	-
Derivative financial instruments	(45)	-	-	(72)	-	-
Other operating income (expense)	-	-	-	3	-	-
Total	(56)	-	-	(56)	2	

Financial lease transactions

Financial lease transactions for 2021, consisted of the following:

(€ million)

Name	Dec. 31, 2021		First half year 2021		
	Loan assets (1)	Loans and borrowings	Commitments	Expenses	Income
Consorzio F.S.B.	-	1	-	-	-
Total related party transactions	-	1	-	-	-

Financial lease transactions as of June 30, 2022, consisted of the following:

(€ million)

Name	June 30, 2022		First half year 2022		
	Loan assets (1)	Loans and borrowings	Commitments	Expenses	Income
Consorzio F.S.B.	-	1	-	-	-
Total related party transactions	-	1	-	-	-

The incidence of transactions or positions with related parties relating to financial lease transactions is as follows:

(€ million)	Dec. 31, 2021			June 30, 2022		
	Total	Related parties	Incidence %	Total	Related parties	Incidence %
Long-term leases liabilities (including portion of short-term leases)	394	1	0.25	379	1	0.26
Total - Continuing operations	394	1		379	1	
Total - Discontinued operations	-	-		7	-	

The main cash flows with related parties were as follows:

(€ million)	June 30, 2021	June 30, 2022
Revenue and income	1,245	769
Costs and other expenses	(750)	(276)
Financial income (expenses) and derivatives	-	2
Change in trade receivables and payables	13	19
Net cash flows from operating activities - Continuing operations	508	514
Net cash flows from operating activities - Discontinued operations	7	1
Change in loan assets	(162)	58
Net cash flows from investing activities - Continuing operations	(162)	58
Net cash flows from investing activities - Discontinued operations	-	-
Change in loans and borrowings	-	181
Net capital contributions by non-controlling interests	-	458
Net cash flows from financing activities - Continuing operations	-	639
Net cash flows from financing activities - Discontinued operations	-	-
Total cash flows with related parties - Continuing operations	346	1,211
Total cash flows with related parties - Discontinued operations	7	1

The incidence of cash flows with related parties was as follows:

(€ million)	June 30, 2021			June 30, 2022		
	Total	Related parties	Incidence %	Total	Related parties	Incidence %
Cash flows from operating activities	14	508	3,628.57	(525)	514	(97.90)
Cash flows from investing activities	(281)	(162)	57.65	(40)	58	(145.00)
Cash flows from financing activities (*)	257	-		568	639	112.59

(*) Cash flows from financing activities do not include dividends distributed, net repurchases of treasury shares or capital contributions by non-controlling interests and the purchase of additional interests in consolidated subsidiaries.

d) Compliance with covenants, negative pledges and any other clause in the Saipem Group's indebtedness involving limits on the use of financial resources, with an indication at June 30, 2022 of the degree of compliance with such clauses

At June 30, 2022, the portion of gross financial indebtedness characterised by clauses involving limits on the use of financial resources, including negative pledge and cross-default clauses, was €3,242 million, of which (i) the portion deriving from contracts characterised by clauses involving obligations to comply with financial parameters, or financial covenants, was €1, 209 million (of which €680 million related to the Liquidity Facility fully repaid on 8 July 2022) and (ii) the portion deriving from contracts that require compliance with representations and warranties relating to the non-existence of the case provided for by Article 2446 of the Italian Civil Code was €453 million.

As of 30 June 2022, these clauses were all fulfilled.

In particular, with regard to financing agreements that require compliance with declarations and warranties relating to the non-existence of the circumstances envisaged by Article 2446 of the Italian Civil Code, Saipem requested and obtained waivers in good time so that the Company would not have to make, at the scheduled renewal dates (i.e. on the first day of each interest period), the aforementioned declarations relating to the non-existence of the circumstances envisaged by Article 2446 of the Italian Civil Code. Considering that the waivers obtained by the Company have a limited effectiveness (the first waiver maturing is effective until September 30, 2022), while the declaration that the Company does not pay and has never paid in the circumstances set forth in Article 2446 of the Italian Civil Code must be renewed periodically until the expiry of the relevant contracts, it is the Company's intention, also as a result of the completion of the Share Capital increase on July 15, 2022, to request the banks to issue waivers to grant the Company a definitive waiver of any declaration that the circumstances set forth in Article 2446 of the Italian Civil Code have occurred with reference to the financial statements for the year ended December 31, 2021.

e) Status of implementation of any industrial and financial plans, highlighting deviations of actual data from planned data

The business performance and the results recorded in the first and second quarter increase the visibility on 2022 targets and allow the confirmation of targets set in the Strategic Plan, approved by the Board of Directors on March 24, 2022.

At Group level, the targets are confirmed, including adjusted EBITDA of over €500 million by 2022 and net debt post IFRS-16 at year-end of around €800 million, excluding the expected proceeds from the disposal of Onshore Drilling.

Regarding the performance of each business area, a slight decrease in revenues in the Onshore Engineering & Construction business, on projects with no or very small margins, however not likely to result in a decline in the expected margins, On the other hand, the results from the Offshore Drilling and Offshore Engineering & Construction are expected to improve on the Plan forecast and allow for the confirmation of the year's expected results.

The implementation of the Strategic Plan continues, also with reference to the initiatives of asset valorisation and liquidity improvement (sale of the onshore drilling and FPSO vessel Cidade de Vitória) and cost reduction.

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