



Saipem: results for the first quarter of 2023

The improvement in the Group's performance continues with the acquisition of new contracts, and a significant growth in revenues and margins in the quarter compared to the first quarter of 2022

The results are fully in line with the Strategic Plan objectives, from a commercial (refocusing on the offshore segment and commitment to the energy transition), operational (project progress in line with plan) and financial (cash generation and net result at breakeven with stable net financial position) point of view

With regard to the first quarter of 2023, the Saipem Group achieved:

- Revenues: €2,582 million, +41.6% compared to the corresponding period of 2022
- Adjusted EBITDA: €191 million, compared to €115 million in the corresponding period of 2022
- Order intake: about €2,7 billion. Over 65% of new contracts was in offshore business (E&C and Drilling)
- Pre-IFRS 16 net financial position as of March 31, 2023: positive net cash of €45 million (post-IFRS 16 net debt of €285 million)
- Completion of the sale of Onshore Drilling in Kuwait

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

Milan, April 19, 2023 - The Board of Directors of Saipem SpA, chaired by Silvia Merlo, approved today the interim management report of the Group as of March 31, 2023 (unaudited).

Results for the first quarter of 2023:

- Revenues: €2,582 million (€1,824 million in the corresponding period of 2022).
- Adjusted EBITDA: €191 million, equal to 7.4% of revenues (€115 million in the corresponding period of 2022).
- Net result at breakeven (loss of €98 million in the corresponding period of 2022).
- Capital expenditure: €77 million, compared to €37 million in the corresponding period of 2022.
- Post-IFRS 16 net financial position: net debt of €285 million (net debt of €264 million as of December 31, 2022).
- Pre-IFRS 16 net financial position: net cash of €45 million (net cash of €56 million as of December 31, 2022).
- Order intake: €2,695 million (€2,283 million in the corresponding period of 2022).
- Backlog: €24,130 million (€24,017 million as of December 31, 2022), which increases to €24,513 million including the backlog of non-consolidated companies (€24,376 million as of December 31, 2022).

Highlights*

Continuing Operations	First quarter 2022	Fourth quarter 2022	First quarter 2023	First quarter 2023 vs first quarter 2022 (%)
Revenues	1,824	2,937	2,582	41.6
EBITDA continuing operations	102	131	191	87.3
Adjusted EBITDA continuing operations	115	150	191	66.1
Operating result (EBIT) continuing operations	2	17	91	ns
Adjusted operating result (EBIT) continuing operations	15	36	91	ns
Net result continuing operations	(93)	(158)	-	ns
Adjusted net result continuing operations	(80)	(139)	-	ns
Net result	(98)	(71)	-	ns
Adjusted net result	(85)	(38)	-	ns
Free cash flows	(168)	249	55	ns
Pre-IFRS 16 net debt	956	(56)	(45)	ns
Post-IFRS 16 net debt	1,251	264	285	(77.2)
Capital expenditure	37	339	77	ns
New contracts	2,283	6,017	2,695	18.0

* The results of the Onshore Drilling segment being divested, have been recognized as discontinued operations in accordance with the criteria set out in IFRS 5. 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 Onshore Drilling (DRON) business was recognised as discontinued operations given that, with the first closing in 2022, the activities in Saudi Arabia, the Congo, the United Arab Emirates, and Morocco were sold, while the activities in Kuwait were transferred at the beginning of 2023; the remaining activities in the Americas, Kazakhstan, and Romania will be transferred within the first half of 2023.

Reorganisation: impact on reporting

As previously mentioned, the Company's new organisational structure is based on five business lines: Asset Based Services, Energy Carriers, Robotics and Industrialized Solutions, Sustainable Infrastructures, and Offshore Wind.

The information to the market, starting from the first quarter of 2023, in accordance with the provisions of IFRS 8 will be prepared following the reporting segments below:

- Asset Based Services, which will include the Offshore Engineering & Construction and Offshore Wind activities,
- Offshore Drilling, and
- Energy Carriers, which will include the Onshore Engineering & Construction, Sustainable Infrastructures, and Robotics and Industrialized Solutions.

The sectors clustered in the reporting segments above have similar economic characteristics; moreover, the new Offshore Wind, Sustainable Infrastructures, and Robotics and Industrialized Solutions sectors are not, at present, so significant that they deserve separate reporting, in accordance with IFRS 8. Given its relevance and economic characteristics, the Offshore Drilling sector will be reported separately, as usual. The results restated based on the new reporting are broadly in line with the data released to the market in 2022; for further details regarding the effects of the regrouping, please refer to the following revenue and adjusted EBITDA data for the 2022 quarters.

REPORTED DATA		first quarter 2022	second quarter 2022	third quarter 2022	fourth quarter 2022	Year 2022
Offshore E&C	Revenues	832	1,240	1,592	1,463	5,127
	Adjusted EBITDA	65	101	132	122	420
Onshore E&C	Revenues	863	963	1,136	1,326	4,288
	Adjusted EBITDA	10	1	3	(13)	1
Offshore Drilling	Revenues	129	160	128	148	565
	Adjusted EBITDA	40	46	47	41	174
Total	Revenues	1,824	2,363	2,856	2,937	9,980
	Adjusted EBITDA	115	148	182	150	595

RESTATEd DATA		first quarter 2022	second quarter 2022	third quarter 2022	fourth quarter 2022	Year 2022
Asset Based Services	Revenues	813	1,211	1,568	1,434	5,026
	Adjusted EBITDA	64	100	130	120	414
Energy Carriers	Revenues	882	992	1,160	1,355	4,389
	Adjusted EBITDA	11	2	5	(11)	7
Offshore Drilling	Revenues	129	160	128	148	565
	Adjusted EBITDA	40	46	47	41	174
Total	Revenues	1,824	2,363	2,856	2,937	9,980
	Adjusted EBITDA	115	148	182	150	595

Management update 2023

In the first quarter of 2023, revenues amount to €2,582 million (€1,824 million in the corresponding period of 2022) and the adjusted EBITDA amount to €191 million (€115 million in the corresponding period of 2022). The improvement is recorded in all the activities, mainly driven by Offshore sectors, as commented below in the subparagraph "Analysis by sector of activity".

The adjusted net result from continuing operations was at breakeven (a loss of €80 million in the corresponding period of 2022). The positive change recorded in adjusted operating result (€76 million) is slightly increased due to the improvement in the balance of tax and financial operations totalling €4 million.

In the quarter, non-recurring expenses have not been recognised, and the result from discontinued operations is null. In the corresponding period of 2022, the net result from continuing operations showed a loss of €93 million and compared to the adjusted net result included costs deriving from the healthcare emergency of €13 million, while the net result from discontinued operations showed a loss of €5 million.

Revenues for the first quarter of 2023 for the Onshore Drilling business' discontinued operations amounted to €41 million, and the EBITDA to €1 million.

The operating result in 2023 amounted to €1 million; financial expenses for €1 million bring the net result from discontinued operations to a null result.

Capital expenditure in the first quarter of 2023, amounted to €77 million (€37 million in the corresponding period of 2022), and was divided as follows:

- €65 million in Asset Based Services;
- €2 million in Energy Carriers;
- €10 million in Offshore Drilling.

Pre-IFRS 16 net financial position as of March 31, 2023 amounted to a net cash of €45 million. Net debt, including IFRS 16 lease liability of €330 million, amounted to €285 million.

Pre-IFRS 16 gross debt as of March 31, 2023, amounted to €2,563 million, liquidity to €2,608 million of which available cash for €1,449 million.

Backlog

In the first quarter of 2023 Saipem was awarded new contracts amounting to a total of €2,695 million (€2,283 million in the corresponding period of 2022). The backlog as of March 31, 2023 amounted to €24,130 million

(€11,027 million in Asset Based Services, €11,514 million in Energy Carriers and €1,589 million in Offshore Drilling), of which €7,719 million to be executed in 2023.
The backlog including non-consolidated companies as of March 31, 2023 amounted to €24,513 million.

This press release should be read in conjunction with the Interim Consolidated Financial Statements as of June 30, 2022 and the Consolidated Financial Statements as of December 31, 2022 of Saipem SpA, which are already available on the Company's website (www.saipem.com), under the section "Investor Relations /Financial information".

Paolo Calcagnini, Manager responsible for the preparation of financial reports of Saipem SpA and Chief Financial Officer declares pursuant to Article 154 bis, subparagraph 2 of the Consolidated Law on Finance that the accounting information corresponds to the documentary results, books, and accounting records.

By their nature, forward-looking statements are subject to risk and uncertainty since they are dependent upon circumstances which should or are considered likely to occur in the future and are outside of the Group's control. These include, but are not limited to: exchange and interest rate fluctuations, commodity price volatility, credit and liquidity risks, HSE risks, the levels of capital expenditure in the oil industry and other sectors, political instability in areas where the Group operates, actions by competitors, success of commercial transactions, risks associated with the execution of projects (including ongoing investment projects), the COVID-19 pandemic (including its impacts on our business, our ongoing projects worldwide and our procurement chain), in addition to changes in stakeholders' expectations and other changes affecting business conditions. Actual results could therefore differ materially from the forward-looking statements. 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 tomorrow at 10:30 AM Italian time during a conference call and webcast by CEO 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 'Saipem first quarter 2023 results' on the home page or following the URL <https://87399.choruscall.eu/links/saipem230420.html>.

During the conference call and webcast, a presentation will be given that can be downloaded around 30 minutes before the estimated start time, from the webcast window or from the "Investor Relations/Quarterly results and documentation/Archive" section of the website www.saipem.com. The presentation will also be available on the authorised storage mechanism "eMarketSTORAGE" (www.emarketstorage.com) and on the website of Borsa Italiana SpA (www.borsaitaliana.it).

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Analysis by sector of activity - Adjusted results

Asset Based Services

(€ million)

	First quarter 2022	Fourth quarter 2022	First quarter 2023	First quarter 2023 vs first quarter 2022 (%)
Revenues	813	1,434	1,183	45.5
Costs	(749)	(1,314)	(1,067)	42.5
Adjusted EBITDA	64	120	116	81.3
Amortisation	(65)	(81)	(59)	(9.2)
Adjusted operating result	(1)	39	57	ns
Adjusted EBITDA %	7.9	8.4	9.8	
Adjusted EBIT %	(0.1)	2.7	4.8	
New contracts	1,293	4,924	1,499	

Backlog as of March 31, 2023: €11,027 million, of which €3,562 million to be executed in 2023.

- Revenues of the first quarter of 2023 amounted to €1,183 million, nearly doubled compared to the corresponding period of 2022, mainly attributable to higher volumes in Sub-Saharan Africa, Central and South America, and the Middle East.
- The adjusted EBITDA of the first quarter of 2023 is positive for €116 million, equal to 9.8% of revenues compared to the €64 million in the corresponding period of 2022, equal to 7.9% of revenues.
- The most significant new contracts during the first quarter are related to:
 - for TotalEnergies, in partnership with Aker Solutions do Brasil, the project for the development of LAPA Southwest (LAPA SW), a deep-sea oil field in the Santos basin in the South Atlantic. The scope of the project includes engineering, procurement, construction, and installation (EPCI) of subsea umbilicals, risers, and flowlines (SURF), as well as subsea production systems;
 - for Equinor, the Irpa Pipeline deep-sea project in the Norwegian Sea, which includes the installation of a pipe-in-pipe line 80 km long, connecting the subsea production model of the Irpa field to the existing Aasta Hansteen platform;
 - for Azule Energy, the Agogo Full Field Development project, a deep-sea greenfield development located around 180 km offshore Angola. The contract includes the engineering, procurement, construction, and installation (EPCI) of rigid pipe-in-pipe flowlines with associated subsea structures;
 - for Saudi Aramco, in Saudi Arabia, within the Long Term Agreement (LTA), the contract including the engineering, procurement, construction, and installation (EPCI) of the topside of an offshore platform and the submarine system of flexible, umbilical and associated cables.

Energy Carriers

(€ million)

	First quarter 2022	Fourth quarter 2022	First quarter 2023	First quarter 2023 vs first quarter 2022 (%)
Revenues	882	1,355	1,219	38.2
Costs	(871)	(1,366)	(1,212)	39.2
Adjusted EBITDA	11	(11)	7	(36.4)
Amortisation	(16)	(14)	(13)	(18.8)
Adjusted operating result	(5)	(25)	(6)	20.0
Adjusted EBITDA %	1.2	(0.8)	0.6	
Adjusted EBIT %	(0.6)	(1.8)	(0.5)	
New contracts	329	248	921	

Backlog as of March 31, 2023: €11,514 million, of which €3,785 million to be executed in 2023.

- Revenues for the first quarter of 2023 amounted to 1,219 million and record an increase of around 40% compared to the corresponding period of 2022, as an effect of the higher volumes in the Middle East, Sub-Saharan Africa, and Latin America, which more than offset the lower volumes in Russia and the Pacific Asian area.
- The adjusted EBITDA of the first quarter of 2023 was positive for €7 million, equal to 0.6% of revenues, a small decrease compared to the corresponding period of 2022, which benefitted from the non-recurring contribution of a contractual variation on a project in the Far East.
- The most significant acquisition in the first quarter relates to the contract, awarded to the consortium formed by Impresa Pizzarotti & C and Saipem, for the construction of the high-speed/high-capacity railway link and station in Florence, on behalf of Rete Ferroviaria Italiana (RFI, Gruppo FS Italiane). The work consists in the construction of a new railway line of approximately 7 kilometres underground with two parallel tunnels, on average about 20 metres deep, completed with two terminal sections above ground, to the north between the stations of Firenze Castello and Firenze Rifredi, and to the south near the station of Firenze Campo di Marte.

Offshore Drilling

(€ million)

	First quarter 2022	Fourth quarter 2022	First quarter 2023	First quarter 2023 vs first quarter 2022 (%)
Revenues	129	148	180	39.5
Costs	(89)	(107)	(112)	25.8
Adjusted EBITDA	40	41	68	70.0
Amortisation	(19)	(19)	(28)	47.4
Adjusted operating result	21	22	40	90.5
Adjusted EBITDA %	31.0	27.7	37.8	
Adjusted EBIT %	16.3	14.9	22.2	
New contracts	661	845	275	

Backlog as of March 31, 2023: €1,589 million, of which €372 million to be executed in 2023.

- Revenues in the first quarter of 2023 amounted to €180 million, an increase of 40% compared to the corresponding period of 2022, thanks to a favourable market scenario, with daily rates increasing and the higher contribution in the quarter by the jack-up Perro Negro 8, being demobilised from Russia in the first quarter of 2022. The improvement has more than offset the lower contribution by the semi-submersible Scarabeo 5, under sale, which was operational only 36 days throughout the quarter, compared to being fully operational in the corresponding period of 2022.
- The adjusted EBITDA in the first quarter of 2023 amounted to €68 million, equal to 37.8% of revenues, compared to €40 million in the corresponding period of 2022, equal to 31.0%, mainly attributable to better market conditions with increasing daily rates compared to the corresponding period of 2022.
- The most significant acquisition in the first quarter of 2023 relates to a drilling contract, offshore Côte d'Ivoire, for the joint venture Eni Côte d'Ivoire Ltd and Petroci. The contract includes the use of the seventh-generation drillship Deep Value Driller, one of the most modern in the world, for which Saipem signed a lease with the company Deep Value Driller.

The main vessel utilisation in the first quarter of 2023 was as follows:

<i>Vessel</i>	<i>First quarter 2023</i>	
	<i>sold</i>	<i>idle</i>
	<i>(No. of days)</i>	
Semi-submersible platform Scarabeo 5	36	-
Semi-submersible platform Scarabeo 8	86	4 (a)
Semi-submersible platform Scarabeo 9	90	-
Drillship Saipem 10000	90	-
Drillship Saipem 12000	90	-
Drillship Santorini	90	-
Jack up Perro Negro 4	90	-
Jack up Perro Negro 7	90	-
Jack up Perro Negro 8	90	-
Jack up Pioneer Jindal*	90	-
Jack up Sea Lion 7*	90	-
Jack up Perro Negro 9*	90	-
Jack up Perro Negro 11*	-	90 (a)

(a) = days on which the vessel underwent class reinstatement/preparation works

(b) = days on which the vessel was idle and not under contract

(c) = vessel held for sale

* Leased vessels

Attached are:

the consolidated Balance Sheet, reclassified Income Statement (the Income Statement is reclassified according to the nature and destination of operating costs) and the Cash Flow Statement;

RECLASSIFIED CONSOLIDATED BALANCE SHEET

	(€ million)	
	December 31, 2022	March 31, 2023
Net tangible assets	2,879	2,880
Right-of-use of leased assets	258	281
Net intangible assets	<u>691</u>	<u>688</u>
	3,828	3,849
Equity investments	128	92
Non-current assets	3,956	3,941
Net current assets	(1,589)	(1,486)
Employee benefits	(183)	(178)
Assets held for sale	166	128
NET CAPITAL EMPLOYED	2,350	2,405
Equity	2,068	2,102
Non-controlling interests	18	18
Net debt (cash) pre-IFRS 16 lease liabilities	(56)	(45)
Lease liabilities	320	330
Net debt	264	285
FUNDING	2,350	2,405
Leverage (net borrowing/equity + non-controlling interests)	0.13	0.13
NUMBER OF SHARES ISSUED AND OUTSTANDING	1,995,558,791	1,995,558,791

CONSOLIDATED INCOME STATEMENT RECLASSIFIED BY NATURE

(€ million)

Fourth quarter 2022	First quarter	
	2022	2023
2,937 Core business revenues	1,824	2,582
4 Other income and revenues	-	2
(2,434) Purchases, services, and other costs	(1,317)	(1,988)
83 Net reversals of impairment loss (impairment loss) on trade receivables and other assets	(23)	(9)
(459) Personnel and related expenses	(382)	(396)
131 GROSS OPERATING MARGIN	102	191
(114) Depreciation, amortisation, and impairment loss	(100)	(100)
17 OPERATING RESULT	2	91
(79) Financial expense	(23)	(52)
(41) Gains (loss) on equity investments	(43)	(2)
(103) RESULT BEFORE TAXES	(64)	37
(55) Income taxes	(29)	(37)
(158) RESULT BEFORE NON-CONTROLLING INTERESTS	(93)	-
- Result attributable to non-controlling interests	-	-
(158) NET RESULT - Continuing Operations	(93)	-
87 NET RESULT - Discontinued Operations	(5)	-
(71) NET RESULT	(98)	-

RECLASSIFIED CONSOLIDATED INCOME STATEMENT BY DESTINATION

(€ million)

Fourth quarter 2022		First quarter	
		2022	2023
2,937	Core business revenues	1,824	2,582
(2,811)	Production costs	(1,705)	(2,388)
(20)	Idle costs	(46)	(25)
(31)	Selling expenses	(30)	(33)
(12)	Costs for studies, research, and development	(5)	(6)
1	Other operating income (expenses)	1	3
64	ACTIVITY MARGIN	39	133
(47)	General expenses	(37)	(42)
17	OPERATING RESULT	2	91
(79)	Financial expense	(23)	(52)
(41)	Gains (loss) on equity investments	(43)	(2)
(103)	RESULT BEFORE TAXES	(64)	37
(55)	Income taxes	(29)	(37)
(158)	RESULT BEFORE NON-CONTROLLING INTERESTS	(93)	-
-	Result attributable to non-controlling interests	-	-
(158)	NET RESULT - Continuing Operations	(93)	-
87	NET RESULT - Discontinued Operations	(5)	-
(71)	NET RESULT	(98)	-

RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

(€ million)

Fourth quarter 2022		First quarter	
		2022	2023
(158)	Group's result for the period - Continuing Operations	(93)	-
87	Group's result for the period - Discontinued Operations	(5)	-
-	Result of non-controlling interest	-	-
	<i>Adjustments:</i>		
116	Depreciation, amortisation and other non-monetary items - Continuing Operations	17	(23)
(121)	Depreciation, amortisation and other non-monetary items - Discontinued Operations	30	-
124	Changes in working capital related to operations - Continuing Operations	(67)	126
43	Changes in working capital related to operations - Discontinued Operations	(5)	-
82	Net cash flows from activities in the period - Continuing Operations	(143)	103
9	Net cash flows from activities in the period - Discontinued Operations	20	-
(339)	Continuing operations capital expenditure	(37)	(77)
-	Discontinued operations capital expenditure	(8)	-
-	Investments in equity, consolidated subsidiaries and business units	-	-
497	Divestments	-	29
249	Free cash flows	(168)	55
-	Buy-back of treasury shares	-	-
-	Share capital increase net of charges	-	-
(1)	Cash flow from capital and reserves	458	-
(31)	Repayments of lease liabilities	(29)	(41)
(73)	Exchange differences on net debt and other changes	6	(25)
144	Change in net debt pre-lease liabilities	267	(11)
18	Change in lease liabilities	23	(10)
162	Change in net debt	290	(21)
426	Net debt at the start of the period	1,541	264
264	Net debt at the end of the period	1,251	285

**Information required by Consob pursuant to Article 114, subparagraph 5 of Legislative
Decree 58/98 ("TUF")**

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At the request of CONSOB received on May 10, 2022 and motivated by the market's need to be constantly informed given the "uncertainties around the Company's (and the Saipem Group's) ability to continue its activity as a going concern", resulting from the audit of the Company's financial statements and of the consolidated balance sheet as of December 31, 2021, the information requested by the supervisory authorities and herein presented.

It should also be noted that on July 15, 2022, the Group performed the Saipem capital increase approved by the extraordinary Shareholders' Meeting of May 17, 2022.

In the reports to the Company's annual financial statements and consolidated financial statements as of December 31, 2022, it is disclosed that the uncertainties expressed in the Company's annual financial statements and consolidated financial statements as of December 31, 2021 regarding the Company's and the Group's ability to operate as a going concern have been fully resolved.

The following information is given as of March 31, 2023 regarding Saipem Spa and the Group of which the Company is the parent:

a) **Net Financial Position of Saipem Spa and of the Saipem Group as of March 31, 2023, highlighting the short-term components shown separately from medium/long-term components**

Following is the statement of net debt of Saipem Spa and the Saipem Group as of March 31, 2023, prepared according to the provisions of Consob document 5/21 of April 29, 2021 which implements the ESMA guidelines, compared to that of December 31, 2022.

Net Financial Position of Saipem SpA

(€ million)	Dec. 31, 2022			March 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
A. Cash and cash equivalents	1,032	-	1,032	1,241	-	1,241
B. Cash and cash equivalents	-	-	-	-	-	-
C. Other current financial assets:	353	-	353	369	-	369
- Financial assets measured at fair value through OCI	-	-	-	-	-	-
- Loan assets	353	-	353	369	-	369
D. Liquidity (A+B+C)	1,385	-	1,385	1,610	-	1,610
E. Current debt:	1,300	-	1,300	1,382	-	1,382
- Current financial liabilities with banks	82	-	82	53	-	53
- Current financial liabilities with related parties	1,182	-	1,182	1,301	-	1,301
- Other current financial liabilities						
- Lease liabilities	36	-	36	28	-	28
F. Current portion of the non-current debt:	112	-	112	112	-	112
- Non-current financial liabilities with banks	112	-	112	112	-	112
- Ordinary bonds	-	-	-	-	-	-
G. Current debt (E+F)	1,412	-	1,412	1,494	-	1,494
H. Net current debt (G-D)	27	-	27	(116)	-	(116)
I. Non-current debt:	-	99	99	-	135	135
- Non-current financial liabilities with banks	-	-	-	-	-	-
- Non-current financial liabilities with related parties	-	-	-	-	-	-
- Lease liabilities	-	99	99	-	135	135
J. Debt instruments:	-	-	-	-	-	-
- Ordinary bonds	-	-	-	-	-	-
K. Trade payables and other non-current debts	-	-	-	-	-	-
L. Non-current debt (I+J+K)	-	99	99	-	135	135
M. Total debt as set out in Consob document No. 5/21, April 29, 2021 (H+L)	27	99	126	(116)	135	19

Reconciliation of net debt

(€ thousand)	Dec. 31, 2022			March 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
M. Total debt as set out in Consob document						
No. 5/21, April 29, 2021 (H+L)	27	99	126	(116)	135	19
N. Non-current loan assets	-	-	-	-	-	-
O. Lease assets	-	-	-	-	-	-
P. Net debt (M-N-O)	27	99	126	(116)	135	19

As of March 31, 2023, Saipem Spa recorded a positive net debt before net lease liabilities of €144 million (positive for €9 million as of December 31, 2022) and a negative net debt including lease liabilities of €19 million (negative for €126 million as of December 31, 2022).

Net Financial Position of the Saipem Group

(€ million)	Dec. 31, 2022			March 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
A. Cash and cash equivalents	2,052	-	2,052	2,010	-	2,010
B. Cash and cash equivalents	-	-	-	-	-	-
C. Other current financial assets:	569	-	569	533	-	533
- Financial assets measured at fair value through OCI	75	-	75	71	-	71
- Loan assets	494	-	494	462	-	462
D. Liquidity (A+B+C)	2,621	-	2,621	2,543	-	2,543
E. Current debt:	298	-	298	243	-	243
- Current financial liabilities with banks	82	-	82	81	-	81
- Current financial liabilities with related parties	1	-	1	1	-	1
- Other current financial liabilities	76	-	76	48	-	48
- Lease liabilities	139	-	139	113	-	113
F. Current portion of the non-current debt:	742	-	742	730	-	730
- Non-current financial liabilities with banks	206	-	206	207	-	207
- Ordinary bonds	536	-	536	523	-	523
G. Current debt (E+F)	1,040	-	1,040	973	-	973
H. Net current debt (G-D)	(1,581)	-	(1,581)	(1,570)	-	(1,570)
I. Non-current debt:	-	498	498	-	502	502
- Non-current financial liabilities with banks	-	234	234	-	207	207
- Non-current financial liabilities with related parties	-	-	-	-	-	-
- Lease liabilities	-	264	264	-	295	295
J. Debt instruments:	-	1,495	1,495	-	1,496	1,496
- Ordinary bonds	-	1,495	1,495	-	1,496	1,496
K. Trade payables and other non-current debts	-	-	-	-	-	-
L. Non-current debt (I+J+K)	-	1,993	1,993	-	1,998	1,998
M. Total debt as set out in Consob document						
No. 5/21, April 29, 2021 (H+L)	(1,581)	1,993	412	(1,570)	1,998	428

Reconciliation of net debt

(€ million)	Dec. 31, 2022			March 31, 2023		
	Current	Non-current	Total	Current	Non current	Total
M. Total debt as set out in Consob document						
No. 5/21, April 29, 2021 (H+L)	(1,581)	1,993	412	(1,570)	1,998	428
N. Non-current loan assets	-	65	65	-	65	65
O. Lease assets	26	57	83	28	50	78
P. Net debt (M-N-O)	(1,607)	1,871	264	(1,598)	1,883	285

Pre-IFRS 16 net financial position as of March 31, 2023 amounted to a net cash of €45 million. Net debt, including IFRS 16 lease liability of €330 million, amounted to €285 million.

Pre-IFRS 16 gross debt as of March 31, 2023, amounted to €2,563 million, liquidity to €2,608 million of which available cash for €1,449 million.

- b) Expired debt positions of Saipem Spa and of the Saipem Group as of March 31, 2023, by nature (financial, commercial, tax, social security and towards employees) and any related creditor reaction initiatives (reminders, injunctions, suspension of supplies, etc.)

Expired debt positions of Saipem SpA

The expired debt positions of Saipem Spa as of March 31, 2023 are as follows:

€ million	Total as of March 31, 2023
Trade payables	199
- of which expired less than three months	158

The level of expired debt is within what can be considered a normal level given the nature and complexity of business. It should also be noted that the advances to suppliers at the same date amounted to €29 million. There are no expired debt positions relating to financial, tax, social security, and employee debts.

Expired debt positions of the Saipem Group

The expired debt positions of the Saipem Group as of March 31, 2023 are as follows:

€ million	Total as of March 31, 2023
Trade payables	571
- of which expired less than three months	453

The level of expired debt, equal to €571 million and about 5% of revenues of the last twelve months, is within what can be considered normal level given the nature and complexity of business. It should also be noted that the advances to suppliers at the same date amounted to €161 million.

There are no expired debt positions relating to financial, tax, social security, and employee debts.

c) Main changes in transactions with related parties of Saipem Spa and the Saipem Group, compared to the last annual financial report approved pursuant to Article 154-ter of the Consolidated Law on Finance

Transactions carried out by Saipem SpA and the companies included in the scope of consolidation with related parties mainly consist of the supply of services and the exchange of goods with joint ventures, associates and subsidiaries that are not fully consolidated, with subsidiaries, joint ventures and associates mainly of Eni SpA and CDP SpA taking into account control of CDP SpA on CDP Equity SpA, with companies controlled by the Ministry of Economy and Finance (MEF); these transactions form part of ordinary operations and are settled at market conditions, i.e., at the conditions that would have applied between two independent parties. All operations carried out were completed in the interest of the companies of Saipem SpA.

Trade and other transactions

Trade and other transactions consisted of the following:

(€ million)

Name	Dec. 31, 2022			March 31, 2023			
	Trade receivables and other assets	Trade payables, other liabilities and contract liabilities	Guarantees	Costs		Revenues	
				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	2	-	-	-	-	-
CCS JV Scarl ⁽²⁾	44	405	-	-	33	40	-
CEPAV (Consorzio Eni per l'Alta Velocità) Due ⁽²⁾	131	263	503	-	59	34	-
CEPAV (Consorzio Eni per l'Alta Velocità) Uno ⁽²⁾	-	-	34	-	-	-	-
Gydan Lng Sarl	1	-	-	-	-	2	-
KCA Deutag International Ltd	6	1	-	-	-	-	-
KWANDA Suporte Logistico Lda	1	5	-	-	1	-	-
Novarctic Sarl	-	-	-	-	-	1	-
Petromar Lda	6	1	3	-	-	4	-
PSS Netherlands BV	-	3	-	-	-	4	-
Saipem Taqa Al Rushaid Fabricators Co Ltd	13	10	36	-	1	-	-
Saipon Snc	1	-	-	-	-	-	-
SAME Netherlands BV	-	-	-	-	-	15	-
Saren BV	76	1	-	-	-	18	-
SCD JV Scarl ⁽²⁾	32	161	-	-	56	66	-
TSGI Mühendislik Insaat Ltd Sirketi	2	-	-	-	-	-	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-	-
Total joint ventures and associates	314	852	576	-	150	184	-

(1) The item 'Services' includes costs for services, costs for the use of third-party assets and other costs, as well as net reversals of impairment loss (impairment loss) on trade receivables and other assets.

(2) Revenues from limited liability consortium companies refer to the retrocession of fees that these companies' invoice to the client and that based on the consortium nature of the investee company are attributed to the consortium partner.

Trade and other transactions consisted of the following:
(€ million)

Name	Dec. 31, 2022			March 31, 2023			
	Trade receivables and other assets	Trade payables, other liabilities and contract liabilities	Guarantees	Costs		Revenues	
				Goods	Services ⁽¹⁾	Goods and services	Other
Eni Group							
Eni Angola SpA	96	1	34	-	3	60	-
Eni Cote d'Ivoire Ltd	77	4	-	-	-	1	-
Eni Mediterranea Idrocarburi SpA	2	-	29	-	-	-	-
Eni US Operating Co Inc	21	19	-	-	-	24	-
Petrobrel Belayim Petroleum Co	38	17	107	-	-	37	-
Other Eni Group companies (for transactions not exceeding €21 million)	62	22	23	-	-	55	-
Total Eni Group	296	63	193	-	3	177	-
CDP Group							
Snam Rete Gas SpA	23	23	1	-	-	6	-
Other CDP Group companies (for transactions not exceeding €21 million)	4	5	5	-	-	2	-
Total CDP Group	27	28	6	-	-	8	-
Companies controlled or owned by the State	33	11	-	-	2	-	-
Total related party transactions - Continuing operations	675	958	775	-	155	369	-
Incidence (%)	30.93	17.36	10.57	-	15.20	20.23	-
Overall total - Continuing operations	2,182	5,520	7,333	445	1,020	1,824	-
Discontinued operations							
Joint ventures and associates							
KCA Deutag International Ltd	-	2	-	-	-	-	-
Total joint ventures and associates	-	2	-	-	-	-	-
Eni Group							
Eni Congo SA	4	-	-	-	-	2	-
Total Eni Group	4	-	-	-	-	2	-
Total related party transactions - Discontinued operations	4	2	-	-	-	2	-
Overall total - Discontinued operations	54	43	60	11	38	118	-
Total related party transactions	679	960	775	-	155	371	-
Overall total	2,236	5,563	7,393	456	1,058	1,942	12
Incidence (%)	30.37	17.26	10.48	-	14.65	19.10	-

(1) The item 'Services' includes costs for services, costs for the use of third-party assets and other costs, as well as net reversals of impairment loss (impairment loss) on trade receivables and other assets.

Trade and other transactions as of March 31, 2023, consisted of the following:

(€ million)

Name	March 31, 2023			March 31, 2023			
	Trade receivables and other assets	Trade payables, other liabilities and contract liabilities	Guarantees	Costs		Revenues	
				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	2	-	-	-	-	-
CCS JV Scarl ⁽²⁾	149	528	-	-	29	43	-
CEPAV (Consorzio Eni per l'Alta Velocità) Due ⁽²⁾	114	261	467	-	72	76	-
CEPAV (Consorzio Eni per l'Alta Velocità) Uno ⁽²⁾	-	-	34	-	-	-	-
Gydan Lng Sarl	-	-	-	-	-	(1)	-
Gygaz Snc	1	-	-	-	-	1	-
KCA Deutag International Ltd	8	1	-	-	-	6	-
KWANDA Suporte Logistico Lda	1	6	-	-	1	(7)	-
Petromar Lda	10	1	3	-	(1)	3	-
PSS Netherlands BV	1	1	-	-	-	2	-
Saipem Taqa Al Rushaid Fabricators Co Ltd	14	8	30	-	(1)	-	-
Saipon Snc	1	-	-	-	-	-	-
SAME Netherlands BV	26	-	-	-	-	22	-
Saren BV	77	1	-	-	-	2	-
SCD JV Scarl ⁽²⁾	23	133	-	-	16	26	-
TSGI Mühendislik Insaat Ltd Sirketi	2	-	-	-	-	-	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-	-
Total joint ventures and associates	428	942	534	-	116	173	-

(1) The item 'Services' includes costs for services, costs for the use of third-party assets and other costs, as well as net reversals of impairment loss (impairment loss) on trade receivables and other assets.

(2) Revenues from limited liability consortium companies refer to the retrocession of fees that these companies' invoice to the client and that based on the consortium nature of the investee company are attributed to the consortium partner.

Trade and other transactions consisted of the following:
(€ million)

Name	March 31, 2022			March 31, 2023			
	Trade receivables and other assets	Trade payables, other liabilities and contract liabilities	Guarantees	Costs		Revenues	
				Goods	Services ⁽¹⁾	Goods and services	Other
Eni Group							
Eni Angola Exploration	19	21	-	-	-	5	-
Eni Angola SpA	68	1	33	-	(3)	95	-
Eni Congo SA	16	21	1	-	-	5	-
Eni Cote d'Ivoire Ltd	107	7	-	-	-	264	-
Eni Mediterranea Idrocarburi SpA	18	-	29	-	-	16	-
Eni US Operating Co Inc	15	12	-	-	-	31	-
Petrobel Belayim Petroleum Co	54	23	62	-	-	39	-
Other Eni Group companies (for transactions not exceeding €21 million)	29	11	27	-	1	34	-
Total Eni Group	326	96	152	-	(2)	489	-
CDP Group							
Snam Rete Gas SpA	13	24	1	-	-	6	-
Other CDP Group companies (for transactions not exceeding €21 million)	4	5	1	-	-	2	-
Total CDP Group	17	29	2	-	-	8	-
Companies controlled or owned by the State	2	7	-	-	4	-	-
Total related party transactions - Continuing operations	778	1,078	688	-	118	670	-
Incidence (%)	33.75	18.35	9.62	-	8.09	25.95	-
Overall total - Continuing operations	2,305	5,876	7,152	666	1,458	2,582	2
Discontinued operations							
Joint ventures and associates							
KCA Deutag International Ltd	-	1	-	-	-	-	-
Total joint ventures and associates	-	1	-	-	-	-	-
Eni Group							
Eni Congo SA	4	-	-	-	-	-	-
Total Eni Group	4	-	-	-	-	-	-
Total related party transactions - Discontinued operations	4	1	-	-	-	-	-
Overall total - Discontinued operations	56	45	55	5	23	41	-
Total related party transactions	782	1,079	688	-	118	670	-
Overall total	2,361	5,921	7,207	671	1,481	2,623	2
Incidence (%)	33.12	18.22	9.55	-	7.97	25.54	-

(1) The item 'Services' includes costs for services, costs for the use of third-party assets and other costs, as well as net reversals of impairment loss (impairment loss) on trade receivables and other assets.

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

Other transactions consisted of the following:

(€ million)	Dec. 31, 2022		March 31, 2023	
	Other assets	Other liabilities	Other assets	Other liabilities
CCS JV Scarl	22	-	22	-
CEPAV (Consorzio Eni per l'Alta Velocità) Uno	1	-	1	-
Other Eni Group companies (for transactions not exceeding €21 million)	5	-	5	-
Total related party transactions - Continuing operations	28	-	28	-
Total related party transactions - Discontinued operations	-	-	-	-
Overall total - Continuing operations	302	109	249	109
Overall total - Discontinued operations	14	-	7	1
Incidence - Continuing operations (%)	9.27	-	11.24	-

Related party transactions also include funds for employee benefits for €3 million as of March 31, 2023 (€3 million as of December 31, 2022).

Financial transactions

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

(€ million)

Name	Dec. 31, 2022			March 31, 2023		
	Loan assets	Loans and borrowings	Commitments	Expenses	Income	Derivative financial instruments
CCS JV Scarl	326	-	-	-	-	-
Saipon Snc	-	1	-	-	-	-
SCD JV Scarl	161	-	-	-	-	-
Société pour la Réalisation du Port de Tanger Méditerranée	1	-	-	-	-	-
TSGI Mühendislik Insaat Ltd Sirketi	-	-	-	-	-	-
Other Eni Group companies (for transactions not exceeding €21 million)	1	-	-	-	-	-
Total related party transactions	489	1	-	-	-	-

Financial transactions, excluding net lease liabilities, for the first quarter of 2023 consisted of the following:

(€ million)

Name	March 31, 2023			March 31, 2023		
	Loan assets	Loans and borrowings	Commitments	Expenses	Income	Derivative financial instruments
Alboran Hydrogen Brindisi Srl	1	-	-	-	-	-
CCS JV Scarl	320	-	-	-	3	-
Saipon Snc	-	1	-	-	-	-
SCD JV Scarl	139	-	-	-	1	-
Société pour la Réalisation du Port de Tanger Méditerranée	1	-	-	-	-	-
Other Eni Group companies (for transactions not exceeding €21 million)	1	-	-	-	-	-
Total related party transactions	462	1	-	-	4	-

The incidence of operations or positions with related parties regarding financial transactions is as follows:

(€ million)	Dec. 31, 2022			March 31, 2023		
	Total	Related parties	Incidence %	Total	Related parties	Incidence %
Current financial liabilities	159	1	0.63	130	1	0.77
Non-current financial liabilities (including current portion)	2,471	-	-	2,433	-	-
Total	2,630	1		2,563	1	

(€ million)	March 31, 2022			March 31, 2023		
	Total	Related parties	Incidence %	Total	Related parties	Incidence %
Financial income (expense)	6	-	-	(17)	4	n.s.
Derivative financial instruments	(29)	-	-	(35)	-	-
Other operating income (expense)	1	-	-	-	-	-
Total - continuing operations	(22)	-		(52)	4	
Total - discontinued operations	-	-		(1)	-	

Financial lease transactions

Financial lease transactions for 2021 consisted of the following:

(€ million)	Dec. 31, 2022		March 31, 2023		
	Loan assets	Loans and borrowings	Commitments	Expenses	Income
Name					
Consorzio F.S.B.	-	1	-	-	-
Total related party transactions	-	1	-	-	-

Financial lease transactions as of the first quarter of 2023, consisted of the following:

(€ million)	March 31, 2023		March 31, 2023		
	Loan assets	Loans and borrowings	Commitments	Expenses	Income
Name					
Consorzio F.S.B.	-	1	-	-	-
Total related party transactions	-	1	-	-	-

The incidence of operations or positions with related parties regarding financial lease transactions is as follows:

(€ million)	Dec. 31, 2022			March 31, 2023		
	Total	Related parties	Incidence %	Total	Related parties	Incidence %
Non-current lease liabilities (including current portion)	403	1	0.25	408	1	0.25
Total - continuing operations	403	1		408	1	
Total - discontinued operations	-	-		-	-	

The main cash flows with related parties were as follows:

(€ million)	March. 31, 2022	March 31, 2023
Income and revenues	369	670
Costs and other expenses	(155)	(118)
Financial income (expenses) and derivatives	-	4
Change in trade receivables and payables	(7)	17
Net cash flows from operating activities - Continuing operations	207	573
Net cash flows from operating activities - Discontinued operations	2	(1)
Change in loan assets	32	27
Net cash flows from investing activities - Continuing operations	32	27
Net cash flows from investing activities - Discontinued operations	-	-
Change in loans and borrowings	180	-
Net cash flows from financing activities - Continuing operations	180	-
Net cash flows from financing activities - Discontinued operations	-	-
Total cash flows with related parties - Continuing operations	419	600
Total cash flows with related parties - Discontinued operations	2	(1)

d) Respect of covenants, negative pledges and any other debt clause of Saipem Group which entail restrictions on the utilisation of financial resources, with indication of the degree of compliance with those clauses as of March 31, 2023

As of March 31, 2023, the share of gross indebtedness characterised by clauses that entail restrictions on the utilisation of financial resources, including negative pledge and cross-default clauses, was equal to €2,434 million, of which (i) the share arising from contracts with clauses that require compliance with financial parameters, namely financial covenants, was equal to €415 million and (ii) the share arising from contracts that require compliance with representations and guarantees relating to the non-existence of the circumstance provided for by Article 2446 of the Civil Code was equal to €340 million.

As of March 31, 2023 all the above-mentioned clauses have been respected.

e) State of implementation of any industrial and financial plans, highlighting the discrepancies of the final data from the forecasted data

The year 2022 closed with results confirming the improvement in the Group's performance, with a growth in revenues and positive EBITDA above expectations. The good operating performance for the year was also accompanied by an excellent level of new orders, relating largely to the offshore business, in line with the Plan's strategic guidelines.

Results for the first quarter of 2023 record a further improvement in performance, with revenues and adjusted EBITDA higher than the first quarter of 2022, by 42% and 66% respectively.

The performance of each business area, compared the 2023-2026 Plan hypotheses, are in line with expectations.

* * *