



Saipem: the Board of Directors approves the 2022 Consolidated and draft Statutory Financial Statements, convening the Annual General Shareholders' Meeting

2022 preliminary results are confirmed as per the press release of February 27, 2023

Main consolidated results continuing operations:

- Revenues: €9,980 million
- Adjusted EBITDA: €595 million
- EBITDA: €543 million
- Adjusted EBIT: €150 million
- EBIT: €98 million
- Adjusted net result: loss of €139 million
- Net result: loss of €209 million

Milan, March 14, 2023 - The Board of Directors of Saipem SpA, chaired by Silvia Merlo, has approved during today's meeting the Group's Consolidated Financial Statement as of December 31, 2022, which closed with a loss of €209 million (loss of €2,467 million in 2021) and the draft of Statutory Financial Statement of Saipem SpA, which closed with a loss of €256 million (€2,382 million in 2021), prepared in accordance with the International Financial Reporting Standard (IFRS approved by the EU). The results and associated industrial trends have been illustrated in the press release relating to the preliminary results as of December 31, 2022, released on February 27, 2023 and made available on the Company's website, www.saipem.com.

Data and information required on a quarterly basis by Consob on May 10, 2022 pursuant to Article 114, subparagraph 5 of the Consolidated Law on Finance, are confirmed, as given in the aforementioned press release of February 27, 2023. Please refer to it for further information.

The Board of Directors has resolved not to propose to the General Shareholders' Meeting the distribution of dividends.

In the same meeting, the Board of Directors has also approved the Consolidated Financial Statements prepared in accordance with the new European provisions for the standardisation of communication languages (ESEF - European Single Electronic Format) which provide for the adoption of the "inline XBRL" standard and the labelling of Consolidated Financial Statements balance sheets using IFRS taxonomy adopted by ESMA.

The Consolidated Financial Statement and draft Statutory Financial Statement of Saipem SpA have been made available to the Board of Statutory Auditors and to the Independent Auditors, together with the Director's Report. The Annual Report will be available to the public in terms of law at the registered office, on the company's website, www.saipem.com, at the authorised storage facility "eMarket STORAGE" (www.emarketstorage.com), and on Borsa Italiana SpA website (www.borsaitaliana.it).

The Board of Directors approved the Report on Corporate Governance and Shareholding Structure and the Report on Remuneration Policy and Compensation Paid, as well as the 2022 Non Financial Statement (NFS) prepared in accordance with Legislative Decree No. 254/2016, integrated as a separate section of the Director's Report. The Board of Directors has also approved the document 'Sustainability Report 2022', which the Company has issued since 2006 and which presents a wide reporting to a vast audience of international stakeholders. The Report describes the commitments and goals for business sustainability within the energy transition and for sustainable mobility through the pursuit, in particular, of Net Zero objectives, of the respect of human rights, of diversity and inclusion, of local development and business ethics, all factors that contribute to the creation of value shared by the Company in the short and long term. These documents will be published together with the Annual Report.

Annual General Shareholders' Meeting

The Board of Directors has resolved to convene the Annual General Shareholders' Meeting in ordinary and single call on May 3, 2023 to decide on the approval of the 2022 Statutory Financial Statements.

Appointment of two new Board directors

It should be noted that, at the next General Shareholders' Meeting, the office of current Board directors Alessandro Puliti, Chief Executive Officer and General Manager, and Davide Manunta will come to an end. They were appointed by co-optation pursuant to Article 2386 of the Civil Code, by the Company's Board of Directors, on August 31, 2022 and October 26, 2022 respectively (please see the press releases of August 31 and October 27, 2022). The Board of Directors, upon recommendation of the Compensation and Nomination Committee, ruled to propose to the General Shareholders' Meeting to appoint, and thus confirm, Alessandro Puliti and Davide Manunta as Board directors of the Company.

Renewal of the Board of Statutory Auditors

It should also be noted that, with the approval by the General Shareholders' Meeting of the Financial Statements as of December 31, 2022, the current Board of Statutory Auditors, appointed by the Shareholders' Meeting of April 29, 2020, will expire. Therefore, the General Shareholders' Meeting will be called to appoint a new Board of Statutory Auditors and its Chairman for the years 2023-2025, establishing the related compensation for the duration of their mandate.

2023-2025 Long-term Variable Incentive Plan

The Board of Directors, has also resolved, following a proposal of the Compensation and Nomination Committee and after a favourable opinion from the Board of Statutory Auditors pursuant to Article 2389 of the Civil Code, subparagraph 3, to submit the proposal of adoption of the 2023-2025 Long-term Variable Incentive Plan ('the Plan') to the next General Shareholders' Meeting, which includes the award of Saipem ordinary shares, free-of-charge, subject to the achievement of performance targets.

The share-based Plan is an incentive tool aimed at maximising the long-term value for the shareholders, increasing the participation of the management in the business risk, improving the company performance and fostering management retention.

The Plan provides for three awards of Saipem ordinary shares, free of charge, in a variable amount depending on the individual allocation and the Plan's degree of achievement of performance indicators.

The Plan, which provides for three annual awards starting from June 2023, applies to the management of Saipem SpA and its subsidiaries, and it is to be considered of "major significance" pursuant to Article 84-bis, subparagraph 2, of the Issuers' Regulation, as it applies also to subjects of Article 114-bis of the Consolidated Law on Finance, and in particular: i) to the Chief Executive Officer and General Manager of Saipem SpA, ii) to Senior Managers with Strategic Responsibilities of Saipem SpA.

The Plan includes a three-year vesting period in line with the international best practice in the industry. In order to strengthen the creation of value and the medium and long-term sustainability of Company results, the Plan provides that for all beneficiaries, 25% of shares accrued at the end of the vesting period subject to the achievement of the performance indicators, will not be available to beneficiaries and shall not be transferred and/or sold for a period of two years (24 months) following the end of the vesting period.

At the end of the period, for each share not available, Saipem SpA will assign an additional share free-of-charge. The deferral scheme aims at further strengthening the alignment of shareholders' interests and management in a medium to long-term period, and acts as a leverage for the retention of the management. Detailed terms and purposes of the Plan are illustrated in the Information Document, prepared in accordance with Article 114-bis of the Consolidated Law on Finance and Article 84-bis, subparagraph 2 of Consob Issuers' Regulation, which will be communicated to the market in accordance with applicable legal and regulatory framework.

Authorization to buy-back treasury shares for the allocation to the incentive plans Long-term Variable Incentive Plan

Following the proposal of the Compensation and Nomination Committee, the Board of Directors resolved to submit to the Shareholders' Meeting a proposal for authorisation of the buy-back of treasury shares up to a maximum of 37,000,000 ordinary shares, and in any case, up to the overall maximum amount of €59,300,000, for the 2023 allocation of the 2023-2025 Long-term Variable Incentive Plan upon approval of the Plan itself by the General Shareholders' Meeting.

Authorisation for the buy-back of treasury shares are requested for a period of eighteen months from the date of resolution of the Shareholders' Meeting.

The proposal provides that the buy-back may be achieved gradually as deemed appropriate through purchase on the market at a unit price not lower than the minimum and not higher than the maximum of the official price registered recorded on the day of stock market trading preceding each single purchase transaction, decreased or increased by 5% respectively, and in any case at a price not higher than the highest between the price of the last independent transaction and the price of the highest current independent bid on the same trading venue, all in compliance with the provisions of Article 3 of EU Regulation 2016/1052.

Buy-back of treasury shares will need to be carried out in order to ensure equal treatment of shareholders, in accordance with Article 144-bis of Issuers' Regulation.

During purchase transactions, the procedures provided under the applicable legal framework in force from time to time will be observed, pursuant to Regulation (EU) No. 596/2014 (MAR Regulation).

The buy-back of treasury shares programme will be carried out using the *safe harbour* provided for under the MAR Regulation and will take place through the conferral of a specific mandate to a qualified intermediary, which will carry out the purchases in full independence and without any influence from Saipem SpA as regards the timing of the purchases and the related conditions.

Currently, the Company holds 415,957 treasury shares, equal to 0.02% of the ordinary shares, earmarked for the implementation of the long-term incentive plans approved in previous years.

The notice of call and the documents relating to the items on the agenda of the Ordinary Shareholders' Meeting, the full texts of the proposed resolutions, together with the explanatory reports, as required by the regulations in force, will be made available to the public within the terms of the law at the registered office, at the authorised storage mechanism "eMarket STORAGE" (www.emarketstorage.com), on Borsa Italiana SpA website (www.borsaitaliana.it), as well as in the relevant section dedicated to the Shareholders' Meeting on the Company's website (www.saipem.com - Section "Shareholders' Meeting - Ordinary Meeting 2023").

Paolo Calcagnini, Manager responsible for the preparation of the financial reports 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 pandemic risks, geopolitical risks, supply chain risks and those risks related to ongoing investment projects), 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; in this regard, Saipem SpA does not assume any obligation to review, update and correct them after that date, except in the cases strictly specified by the applicable regulations.

Website: www.saipem.com

Phone: +39 0244231

Media relations

E-mail: media.relations@saipem.com

Investor Relations

E-mail: investor.relations@saipem.com

Contact for individual investors

E-mail: segreteria.societaria@saipem.com

Attached are:

The reclassified Balance Sheet, Income Statement and Cash Flow Statement both for Saipem SpA and the Group.

The Reconciliation of the reclassified Financial Statements to the Statutory Financial Statements is provided, in the Annual Report, within the respective Directors' Report in the section "Reconciliation of the reclassified Financial Statements to the Statutory Financial Statements".

SAIPEM SpA

RECLASSIFIED BALANCE SHEET

	(€ million)	
	December 31, 2021	December 31, 2022
Net tangible assets	302	120
Right-of-use of leased activities	66	119
Net intangible assets	30	24
	398	263
Equity investments	609	1,869
Non-current assets	1,007	2,132
Net current assets	81	166
Employee benefits	(105)	(101)
Assets held for sale	-	77
NET CAPITAL EMPLOYED	983	2,274
Equity	471	2,148
Net debt (cash) pre-IFRS 16 lease liabilities	428	(9)
Lease liabilities	84	135
Net debt	512	126
FUNDING	983	2,274
Leverage (debt/equity)	1.09	0.06

SAIPEM SpA

RECLASSIFIED INCOME STATEMENT

	(€ million)	
	year	
	2021	2022
Core business revenues	1,996	2,898
Other income and revenues	115	83
Purchases, services, and other costs	(2,046)	(2,592)
Net reversals of impairment loss (impairment loss) on trade receivables and other assets	(49)	4
Personnel and related expenses	(472)	(519)
Other operating income (expense)	-	4
GROSS OPERATING MARGIN	(456)	(122)
Depreciation, amortisation, and impairment loss	(86)	(67)
OPERATING RESULT	(542)	(189)
Financial income (expense)	15	(40)
Gains (loss) on equity investments	(1,819)	(2)
RESULT BEFORE TAXES	(2,346)	(231)
Income taxes	(4)	-
NET RESULT - Continuing Operations	(2,350)	(231)
NET RESULT - Discontinued Operations	(32)	(25)
NET RESULT	(2,382)	(256)

SAIPEM SpA
RECLASSIFIED CASH FLOW STATEMENT

(€ million)

	year	
	2021	2022
Group's result for the period - Continuing Operations	(2,350)	(231)
Group's result for the period - Discontinued Operations	(32)	(25)
<i>Adjustments:</i>		
Depreciation, amortisation and other non-monetary items - Continuing Operations	1,871	(5)
Depreciation, amortisation and other non-monetary items - Discontinued Operations	34	17
(Capital gains) losses on disposals of assets - continuing operations	(1)	(3)
(Capital gains) losses on disposals of assets - discontinued operations	(1)	31
Dividends, interest and income tax - continuing operations	(7)	2
Dividends, interest and income tax - discontinued operations	1	(10)
Changes in working capital related to operations - Continuing Operations	203	(144)
Changes in working capital related to operations - Discontinued Operations	33	12
Dividends received, taxes paid, interest paid and collected - continuing operations	-	13
Dividends received, taxes paid, interest paid and collected - discontinued operations	(1)	(2)
Net cash flows from activities in the period - continuing operations	(284)	(368)
Net cash flows from activities in the period - discontinued operations	34	23
Continuing operations capital expenditure	(25)	(29)
Discontinued operations capital expenditure	(14)	(4)
Capital expenditure related to operations	(1)	(1,166)
Divestments continuing operations	3	6
Divestments discontinued operations	1	87
Free cash flows	(286)	(1,451)
Buy-back of treasury shares	(15)	-
Cash flow from capital and reserves	-	1,918
Repayments of lease liabilities	(40)	(41)
Exchange differences on net debt and other changes	11	11
Change in net debt pre-lease liabilities	(330)	437
Change in lease liabilities	12	(51)
Change in net debt	(318)	386
Net debt at the start of the period	194	512
Net debt at the end of the period	512	126

**GROUP
RECLASSIFIED CONSOLIDATED BALANCE SHEET**

	(€ million)	
	December 31, 2021	December 31, 2022
Net tangible assets	3,113	2,879
Right-of-use of leased activities	261	258
Net intangible assets	<u>699</u>	<u>691</u>
	4,073	3,828
Equity investments	127	128
Non-current assets	4,200	3,956
Net current assets	(2,070)	(1,589)
Employee benefits	(238)	(183)
Assets held for sale	-	166
NET CAPITAL EMPLOYED	1,892	2,350
Equity	326	2,068
Non-controlling interests	25	18
Net debt (cash) pre-IFRS 16 lease liabilities	1,223	(56)
Lease liabilities	318	320
Net debt	1,541	264
FUNDING	1,892	2,350
Leverage (net borrowing/equity + non-controlling interests)	4.39	0.13
NUMBER OF SHARES ISSUED AND OUTSTANDING	1,010,977,439	1,995,558,791

GROUP
RECLASSIFIED CONSOLIDATED INCOME STATEMENT

	(€ million)	
	year	
	2021	2022
Core business revenues	6,528	9,980
Other income and revenues	5	9
Purchases, services, and other costs	(6,662)	(7,822)
Net reversals of impairment loss (impairment loss) on trade receivables and other assets	(42)	32
Personnel and related expenses	(1,553)	(1,656)
GROSS OPERATING MARGIN	(1,724)	543
Depreciation, amortisation, and impairment loss	(495)	(445)
OPERATING RESULT	(2,219)	98
Financial income (expense)	(137)	(195)
Gains (loss) on equity investments	9	(65)
RESULT BEFORE TAXES	(2,347)	(162)
Income taxes	(59)	(153)
RESULT BEFORE NON-CONTROLLING INTERESTS	(2,406)	(315)
Result attributable to non-controlling interests	-	-
NET RESULT - Continuing Operations	(2,406)	(315)
NET RESULT - Discontinued Operations	(61)	106
NET RESULT	(2,467)	(209)

GROUP
RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

	(€ million)	
	year	
	2021	2022
Group's result for the period - Continuing Operations	(2,406)	(315)
Group's result for the period - Discontinued Operations	(61)	106
Result of non-controlling interest	-	-
<i>Adjustments:</i>		
Depreciation, amortisation and other non-monetary items - Continuing Operations	1,523	242
Depreciation, amortisation and other non-monetary items - Discontinued Operations	121	(62)
Changes in working capital related to operations - Continuing Operations	886	(450)
Changes in working capital related to operations - Discontinued Operations	27	2
Net cash flows from activities in the period - continuing operations	3	(523)
Net cash flows from activities in the period - discontinued operations	87	46
Continuing operations capital expenditure	(246)	(523)
Discontinued operations capital expenditure	(52)	(27)
Investments in equity, consolidated subsidiaries and business units	-	-
Divestments	15	503
Free cash flows	(193)	(524)
Buy-back of treasury shares	(15)	-
Cash flow from capital and reserves	(26)	1,918
Repayments of lease liabilities	(126)	(128)
Exchange differences on net debt and other changes	9	13
Change in net debt pre-lease liabilities	(351)	1,279
Change in lease liabilities	36	(2)
Change in net debt	(315)	1,277
Net debt at the start of the period	1,226	1,541
Net debt at the end of the period	1,541	264

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

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With regards to CONSOB request received on May 10, 2022 and justified by the market’s need to be constantly informed following the existence of “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 Statutory and Consolidated Financial Statements as of December 31, 2021, the information and data illustrated in the press release regarding preliminary results as of December 31, 2022 released on February 27, 2023 are confirmed and can be referred to for further information (available on the Company’s website www.saipem.com).