



**Saipem: the Board approves the 2019 Consolidated and preliminary Statutory Financial Statements, confirming the data of the preliminary Financial Statements
Convening of the Annual General Shareholders' Meeting**

- Revenues: €9,099 million
- Adjusted EBITDA: €1,226 million
- EBITDA: €1,146 million
- EBIT adjusted: €609 million
- EBIT: €456 million
- Adjusted net result: €165 million
- Net result: €12 million

The Board of Directors proposes to the General Annual Meeting the distribution of an ordinary dividend of €0.01 per ordinary and savings share

San Donato Milanese, March 12, 2020 - The Board of Directors of Saipem SpA, chaired by Mr. Francesco Caio and held today, approved the Saipem Group's consolidated results as at December 31, 2019, which closed with a profit of €12 million (loss of €472 million in 2018) and the preliminary Statutory Financial Statements of Saipem SpA, which closed with a loss of €85 million (loss of €326 million in 2018). These have been prepared in compliance with the International Financial Reporting Standards (EU approved IFRS). These results and the related industrial trends have already been illustrated in the Press Release for the 2019 preliminary Financial Statements published on February 26, 2020.

The Board of Directors resolved to propose to the Annual General Shareholders' Meeting the distribution of an ordinary dividend of € 0.01 per ordinary and savings share for all outstanding ordinary and savings shares, but not treasury shares, on the ex-coupon date, with a total outlay of €9,962,532. The dividend proposal provides that dividends shall be paid out on 20 May 2020; ex- coupon date no. 1 for both ordinary and savings shares: May 18, 2020 and record-date: May 19, 2020.

The Consolidated and preliminary Statutory Financial Statements of Saipem S.p.A have been made available to the Board of Statutory Auditors and to the Independent Auditors, together with the Directors' Report. The Annual Report will be made available to the public pursuant to the law at Saipem's headquarters and shall be published on Saipem's website (www.saipem.com), on the authorized "eMarket STORAGE" mechanism (www.emarketstorage.com) and on the website of Borsa Italiana SpA (www.borsaitaliana.it).

The Board of Directors approved Saipem's Corporate Governance and Shareholding Structure Report, the "Report on Saipem's Remuneration Policy and Compensation paid in 2020" as well as the "Non-financial Statement" pursuant to Legislative Decree No. 254/2016, integrated as a separate chapter in the Directors' Report. The Board also approved the document "*2019 Sustainability Report - Making change possible - 4 Challenges for the energy transition*", which provides a detailed representation of the most significant sustainability issues for the Company.

These documents will be published at the same time as the Annual Report.

Annual General Shareholders' Meeting

The Board of Directors convened the Annual General Shareholders' Meeting for April 29, 2020 (single call). Should any changes occur following the possible issue of new regulatory provisions concerning the COVID-19 outbreak, these will be communicated promptly to the market.

The Shareholders will be called to approve the 2019 Statutory Financial Statements and the distribution of dividends under the terms proposed by the Board of Directors.

The Shareholders' Meeting will be called to approve the "Report on Saipem's Remuneration Policy and Compensation paid in 2020", prepared in compliance with art. 123-ter of Legislative Decree 58/98 and art. 84-quarter of Issuers' Regulations; the approval shall be binding on the first section of the Report (Remuneration Policy) and non-binding on the second section (paid compensation).

The Board of Directors convened the Annual General Shareholders' Meeting to vote, inter alia, on the appointment of a Board Director. On February 5, 2020 the Board of Directors had in fact co-opted Ms Alessandra Ferone, whose mandate expires at the Shareholders' Meeting pursuant to Article 2386 of the Italian Civil Code.

At the Shareholders' Meeting approving the Financial Statements as at 31 December 2019, the current Board of Statutory Auditors' mandate shall expire. The Board of Statutory Auditors had been appointed by the Shareholders' Meeting on April 28, 2017. The Shareholders' Meeting will therefore be called to appoint the new Board of Statutory Auditors for the years 2020, 2021 and 2022, from voting lists, and set their remuneration for the duration of their mandate.

Short-term Incentive Plan 2021 - 2023

The Board of Directors, having consulted the Board of Statutory Auditors pursuant to art. 2389 of the Italian Civil Code, paragraph 3, resolved to submit to the Shareholders' Meeting the adoption of a short-term variable incentive plan for the years 2021-2023, linked to the performance over the period 2020-2022 (the "Plan"), which was prepared at the proposal of the Compensation and Nomination Committee, made up entirely of non-executive and independent Directors.

The Short-Term Variable Incentive Plan is an incentive tool aimed at remunerating the performance and contribution of the individuals in the achievement of corporate targets for a given year.

The stock-based part of the Plan, subject to a retention clause, aims at strengthening the alignment of shareholders' and management's interests, also incentivising the management's long-term retention.

The Plan provides for the payment of monetary incentives in the years 2021, 2022 and 2023 to resources that achieve the annual performance targets assigned for the years 2020, 2021 and 2022; those resources who have achieved the annual performance targets will also be assigned free ordinary Shares of Saipem SpA if they remain with the Company for the following three-years.

The stock-based part of the Plan applies to the management of Saipem and its subsidiaries, and is to be considered "of particular relevance" pursuant to art. 84-bis, paragraph 2, of the Issuers' Regulation, as it applies to individuals referred to in art. 114-bis of the Legislative Decree 58/08, and in particular to Saipem's Senior Managers with Strategic Responsibilities. For the Chief Executive Officer the Plan does not provide for shares allocation.

The Plan provides that Beneficiaries are also allocated an additional stock incentive, subject to a Retention Period set forth in the Plan's regulations.

The Plan provides for three awards of Saipem SpA ordinary shares, free of charge, subject to a Retention Period, one for each performance period over the years 2020, 2021 and 2022; the number of shares shall vary depending on the individual's allocation.

The conditions and aims of the Plan are detailed in the Information Document prepared in compliance with Article 114-bis of Legislative Decree No. 58/98 and Article 84-bis, paragraph 2, of Consob Issuers' Regulations, which will be made available to the public under the terms of the Law.

This proposal has been prepared in compliance with Article 114-bis of Legislative Decree No. 58/98, and Article 84-bis of Consob Issuers' Regulations in matters of implementation of compensation plans based on the allocation of financial instruments to corporate officers, employees and collaborators.

Authorisation to buy back treasury shares for allocation to the Incentive Plans

At the proposal of the Compensation and Nomination Committee, the Board of Directors resolved to submit to the Shareholders' Meeting the following proposals for the buy-back of treasury shares:

- up to a maximum of 3,500,000 ordinary shares and, at any rate, not exceeding the maximum sum of € 17,200,000. These shall be destined for the 2021 award of the 2021-2023 Short-Term Incentive Plan;
- up to a maximum of 19,000,000 ordinary shares and, at any rate, not exceeding the maximum sum of € 93,000,000. These shall be destined for the 2020 award of the 2019-2021 Long-Term Incentive Plan (conditions and aims of this Plan, approved by the Shareholders' Meeting on April 30, 2019, are detailed on Saipem's website (www.saipem.com - section "Shareholders' Meeting" - Shareholders' Meeting 2019).

Authorisations for the buy-back of treasury shares are requested for a period of 18 months from the date of the 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 official price registered on the day of stock market trading preceding each individual buy-back transaction, decreased or increased respectively by 5% and, at any rate, at a price that is no higher than the highest price between that of the latest independent transaction and that of the highest current independent offer of purchase during the same trading session, pursuant to Article 3 of Regulation (EU) 2016/1052.

The buy-back transactions shall be executed in accordance with the procedures set out in Article 144-bis, paragraph 1, letter b) of the Issuers' Regulation, to ensure equal treatment of shareholders, in compliance with Article 144-bis of Consob Issuers' Regulations.

The buy-back transactions shall be executed in accordance with the terms established under current legislation and accepted market practices, as well as the conditions indicated in Regulation (EU) 596/2014.

The treasury share buy-back programme shall be carried out in compliance with safe harbour requirements, pursuant to EU Regulation no. 596/2014 (Market Abuse Regulation MAR), i.e. the buy-back of shares will take place through the granting of a specific mandate to an authorized intermediary, who will carry out the purchases in complete independence and without any influence whatsoever from Saipem S.p.A. in relation to the timing of the purchases or the conditions thereof.

The Company currently holds 14,724.205 treasury shares, equal to 1.46% of the ordinary shares, for the implementation of long-term incentive plans resolved in previous years.

The documentation relating to the agenda of the Shareholders' Meetings, the complete texts of the proposed resolutions, together with the reports detailing the motions will, as required under current regulations, be made available to the public according to the law at Saipem's headquarters and shall be published on the authorised "eMarket STORAGE" mechanism (www.emarketstorage.com), on the website of Borsa Italiana SpA (www.borsaitaliana.it) and on the Saipem website (www.saipem.com - in the section "Shareholder's Meeting").

Significant events subsequent to year end: COVID-19 pandemic

Since the outbreak of the COVID-19 pandemic (“Coronavirus”), in compliance with the instructions provided by national and local Italian institutions and health authorities, Saipem, already structured to challenge complex circumstances, promptly activated its Crisis Response Protocol, developing a specific Crisis Response Plan and swiftly adopted a series of measures at all levels of the organization (smart working option, travel halt travels) aimed at preventing any risk and ensuring the health and safety to its employees, customers and suppliers and the continuity to its operations.

Saipem Crisis Unit in Milan, active 24/7, is constantly in contact and coordination with the Company’s 52 Local Crisis Units worldwide, updating regularly the situation and the status of the action plan agreed with the Corporate Crisis Committee, chaired by the CEO.

At the moment, on the basis of the information currently available, the COVID-19 pandemic, in line with the application of the international accounting standards, has been classified as Non Adjusting (IAS 10) event; as recommended also by ESMA’s recent communication, the nature of the event has been described in the Section “*Significant events subsequent to year end*” of company’s 2019 Financial Statement clarifying that, given the context of general uncertainty, there are no elements to quantify the relevant impact which, also depending on the evolution of the contagion, could have unpredictable and potentially significant effects on the future commercial and operational activities and therefore, on the group economic, asset and financial figures.

Saipem's Chief Financial Officer, Mr. Stefano Cavacini, in his capacity as manager responsible for the preparation of the Company's financial reports, certifies, pursuant to article 154-bis paragraph 2 of Legislative Decree no. 58/1998, that accounting data corresponds to the Company's documents and accounting books and entries.

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 Company's control. These include, but are not limited to: monetary exchange and interest rate fluctuations, commodity price volatility, credit and liquidity risks, HSE risks, the level of capital expenditure in the oil and gas 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 recent coronavirus outbreak (including its impact across our business, worldwide operations and supply 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 are to be considered in the context of the date of their release.

Saipem is a leading company in engineering, drilling and construction of major projects in the energy and infrastructure sectors. It is "One-Company" organized in five business divisions (Offshore E&C, Onshore E&C, Offshore Drilling, Onshore Drilling and XSIGHT, dedicated to conceptual design). Saipem is a global solution provider with distinctive skills and competences and high-tech assets, which it uses to identify solutions aimed at satisfying customer requirements. Listed on the Milan Stock Exchange, it is present in over 70 countries worldwide and has 32 thousand employees of 120 different nationalities.

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Attachments:

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

Restatements of the reclassified balance sheet and income statement to statutory schemes are provided in the Directors' Report of the Annual Report of Saipem SpA under the section "Restatement of reclassified balance sheet and income statement to statutory schemes".

SAIPEM SpA

BALANCE SHEET

(million euro)

	January 1, 2019 restated	December 31, 2019
Net tangible assets	375	378
Right-of-use assets	111	102
Intangible assets	33	29
Investments	2,397	2,501
Non-current assets	2,916	3,010
Net current assets	41	289
Provision for employee benefits	(106)	(127)
Assets available for disposal		
CAPITAL EMPLOYED, NET	2,851	3,172
Shareholder's equity	3,141	3,062
Net debt pre-IFRS 16	(401)	4
Financial lease liabilities	111	106
Net debt	(290)	110
FUNDING	2,851	3,172

* data restated following the coming into force of new accounting standard IFRS 16.

SAIPEM SPA**INCOME STATEMENT**

(million euro)

	2018	2019
Net sales from operations	2,023	2,718
Other income and revenues	59	86
Net reversals (impairments) of trade and other receivables	(31)	(6)
Purchases, services and other costs	(1,909)	(2,458)
Payroll and related costs	(427)	(480)
GROSS OPERATING PROFIT (LOSS)	(285)	(140)
Depreciation, amortization and impairment	(81)	(98)
OPERATING PROFIT (LOSS)	(366)	(238)
Finance expense	(19)	3
Income (loss) from investments	80	126
PROFIT (LOSS) BEFORE TAXES	(305)	(109)
Income taxes	(21)	24
NET PROFIT (LOSS)	(326)	(85)

SAIPEM SpA

CASH FLOW STATEMENT

(million euro)

	2018	2019
Profit (loss) for the year	(326)	(85)
<i>Adjustments to reconcile cash generated from operating profit (loss) before changes in working capital:</i>		
Depreciation, amortisation and other non-monetary items	19	(49)
(Gains) losses on disposal of assets	(1)	(1)
Dividends, interest and taxes	2	(45)
Changes in working capital related to operations	756	34
Dividends received, income taxes paid, interest paid and received	(8)	13
Net cash flow from operations	442	(133)
Capital expenditure	(59)	(310)
Financing investments for operating purposes	(150)	(40)
Disposals	6	110
Free cash flow	239	(373)
Sale (buy-back) of treasury shares	-	-
Cash flow from capital and reserves	-	-
Repayment of lease liabilities	-	(36)
Exchange differences on net debt and other changes	(5)	3
Change in net debt before lease liabilities		(406)
Change in lease liabilities		(106)
Change in net borrowings	234	(512)
Net borrowings at beginning of period	(167)	(401)
Net borrowings at end of period	(401)	111

SAIPEM GROUP
RECLASSIFIED BALANCE SHEET

(million euro)

	January 1, 2019 restated	December 31, 2019
Net tangible assets	4,326	4,129
Right-of-use assets	*	584
Intangible assets	<u>702</u>	<u>698</u>
	5,578	5,411
Investments	78	106
Non-current assets	*	5,517
Net current assets	292	(64)
Provision for employee benefits	(208)	(246)
Assets available for disposal	2	-
CAPITAL EMPLOYED, NET	5,742	5,207
Shareholder's equity	3,962	4,032
Non-controlling interests	74	93
Net debt pre-IFRS 16	1,159	472
Financial lease liabilities	*	610
Net debt	1,706	1,082
FUNDING	5,742	5,207
Leverage pre IFRS16 (net debt/shareholders' equity including minority interest)	0.29	0.11
Leverage post IFRS16 (net debt/shareholders' equity including minority interest)	0.42	0.26
SHARES ISSUED AND OUTSTANDING	1,010,977,439	1,010,977,439

* data restated following the coming into force of new accounting standard IFRS 16.

SAIPEM GROUP

CONSOLIDATED INCOME STATEMENT RECLASSIFIED BY NATURE OF EXPENSES

	(million euro)	
	Year	
	2018	2019
Net sales from operations	8,526	9,099
Other income and revenues	4	11
Purchases, services and other costs	(6,103)	(6,232)
Net reversals (impairments) of trade and other receivables	(57)	(62)
Payroll and related costs	(1,522)	(1,670)
GROSS OPERATING PROFIT (LOSS)	848	1,146
Depreciation, amortization and impairment	(811)	(690)
OPERATING PROFIT (LOSS)	37	456
Finance expense	(165)	(210)
Income (loss) from investments	(88)	(18)
PROFIT (LOSS) BEFORE TAXES	(216)	228
Income taxes	(194)	(130)
PROFIT (LOSS) BEFORE NON-CONTROLLING INTERESTS	(410)	98
Net profit (loss) attributable to non-controlling interests	(62)	(86)
NET PROFIT (LOSS)	(472)	12
CASH FLOW (net result + depreciation and amortization)	339	702

SAIPEM GROUP

RECLASSIFIED CASH FLOW STATEMENT

(million euro)

	Year	
	2018	2019
Net profit (loss) for the period	(472)	12
Non-controlling interests	62	86
<i>Adjustments to reconcile cash generated from operating profit (loss) before changes in working capital:</i>		
Depreciation, amortization and other non-monetary items	879	721
Changes in working capital related to operations	242	438
Net cash flow from operations	711	1,257
Capital expenditure	(485)	(336)
Investments and purchase of consolidated subsidiaries and businesses	(27)	(45)
Disposals	1	11
Free cash flow	200	887
Buy-back of treasury shares/Exercise of stock options	-	-
Cash flow from capital and reserves	(79)	(77)
Repayment of lease liabilities		(127)
Exchange differences on net debt and other changes	16	4
Change in net debt before lease liabilities	137	687
Change in lease liabilities	-	(610)
Change in net debt	137	77
Net debt at beginning of period	1,296	1,159
Net debt at end of period	1,159	1,082