

Saipem: review of ongoing projects - backlog review - initiated in January 2022 has been completed without showing any further impact from what was communicated on January 31, 2022

The Board of Directors approves some preliminary consolidated adjusted¹ management accounts data for 2021 and the guidelines for the revision of the Strategic Plan 2022-2025

Preliminary management accounts consolidated adjusted EBITDA for 2021 negative for €1,192 million, affected by the difficulties on specific projects in the offshore wind and onshore E&C emerged in the backlog review (management accounts consolidated adjusted EBITDA in the fourth quarter negative for €901 million; positive for around €120 million excluding those specific contracts). Net financial position improved compared to the third quarter

Good offshore E&C performance in the fourth quarter - excluding wind - with strong acceleration of contract acquisitions, equal to around €1.4 billion, compared to €0.2 billion in the third quarter

Recovery of drilling confirmed in the fourth quarter versus third quarter

Defined the guidelines for the review of the 2022-25 Strategic plan, which will be approved on March 15, 2022 and lays the foundations for the financing package to strengthen the Company's financial and capital structure

Discussions continue in a constructive way with the shareholders exercising joint control - ENI SpA and CDP Industria SpA - and with the banks with regards to the financing package

In January 2022 Saipem initiated a review that covered a total of 22 projects, which represent around 80% of the total consolidated backlog as of September 30, 2021, or around 88% of the consolidated backlog of the E&C segments as of the same date. The review has been completed and has not shown any additional impact from what was communicated on January 31, 2022.

Full year preliminary 2021 ended with management accounts consolidated adjusted revenues of €6,875 million, down 6.4% compared to full year 2020. Management accounts consolidated adjusted EBITDA for 2021 was negative by €1,192 million.

Full year 2021 preliminary results were significantly impacted by the fourth quarter, which reported a negative management accounts consolidated adjusted EBITDA of €901 million, affected by a negative impact of €1,020 million resulting from increased difficulties on certain specific offshore wind and onshore E&C projects that emerged with the *backlog review*. This, in accordance with the international accounting standards, led to the recognition in the fourth quarter of the bulk of the cost increase and lower overall revenues, expected in future years on these specific projects until their completion.

¹ Adjusted results are management accounts which do not include "special items", items of income arising from events or transactions that are non-recurring or that are not considered to be representative of the ordinary course of business (e.g. write downs of fixed assets, contingent liabilities in relation to pending judgments, health & safety costs, redundancy costs)

Excluding the impact described above, management accounts consolidated adjusted EBITDA in the fourth quarter would have been positive by approximately €120 million, confirming the overall strength of the portfolio of activities managed by Saipem, supported by the results of drilling and offshore E&C, excluding wind.

The net financial position post IFRS-16 stood at approximately €1.5 billion at the end of 2021, an improvement from approximately €1.7 billion as of the end of September 2021. Liquidity at the end of 2021 amounted to €2.3 billion, of which approximately €0.7 billion available and the remainder restricted mainly in joint venture projects.

The operating performance in the fourth quarter shows signs of improvement compared to the third quarter in the offshore and onshore drilling, as well as a good performance of the offshore E&C, excluding offshore wind.

In the drilling segments, in addition to improved results in the fourth quarter, there are positive market dynamics with increased demand and prospects for full utilization of the operating fleet.

Acquisitions of new contracts in 2021 amounted to approximately €7.2 billion (book-to-bill > 1), with a strong acceleration in the fourth quarter (€2.3 billion, more than 5 times versus third quarter), confirming the recovery of demand in offshore E&C oil & gas and Saipem's centrality to major clients in this segment.

The Board of Directors also approved the guidelines of the review of the Strategic Plan 2022-2025 initiated following the *backlog review*.

The Plan is based overall on the dynamics of Saipem's reference markets presented in October 2021 and, specifically, on the growing trends in the offshore E&C and offshore drilling, and on the following guidelines:

- Reduction of structural costs, with an increase in the target for 2022 to over €150 million
- Increase of focus on the project acquisition in offshore, both E&C and drilling, characterized by a higher profitability thanks to Saipem's consolidated competitive position
- Increased selectivity in the project acquisition of onshore E&C, giving priority to higher-tech projects in the LNG and gas valorization segments, where Saipem can leverage proprietary technologies
- Repositioning on low-risk offshore wind business in 2022-23, and adoption of a renewed commercial and execution strategy to capture market growth potential in the second half of the Plan
- Reaffirmed Saipem's industrial focus on energy transition and circular economy, also through the development of modular and industrialized solutions, in particular on CCUS value chain, plastic recycling technologies and *subsea* robotics
- Active management of the asset portfolio, to support cash flow generation in the 2022-25 Plan horizon

The guidelines for the review of the 2022-25 Plan, will be based on a more balanced risk-return profile and on a path of *deleveraging*.

The new organization based on business lines rather than on divisions is confirmed, with the aim of increased efficiency, centralized risk control and development of innovative and flexible execution models, in line with the needs of the energy transition.

The revision of the Strategic Plan 2022-25 lays the foundations for the financing package to strengthen Saipem's financial and capital structure, for which discussions continue in a constructive way with the shareholders exercising joint control - ENI SpA and CDP Industria SpA - and with the banks.

The updated 2022-25 Plan and the financing package will be proposed for approval at the Board of Directors on March 15, 2022, when the Board of Directors will also examine for approval the consolidated financial statements and the draft statutory financial statements for 2021, which is expected to close with a loss of more than a third of the share capital, and will convene a Shareholders' Meeting for the approval of full year 2021 financial statements and to take appropriate steps in accordance with the law.

The presentation to the market is confirmed for March 16, 2022.

San Donato Milanese, February 24, 2022 - The Board of Directors of Saipem SpA, chaired by Silvia Merlo, yesterday reviewed some Group's management accounts preliminary consolidated adjusted data as of December 31, 2021², prepared in accordance with International Financial Reporting Standards (IFRS approved by the EU).

Preliminary consolidated adjusted 2021 management accounts data highlights:

- Management accounts consolidated adjusted revenues at €6,875 million (€7,342 million in FY 2020), of which €1,811 million in the fourth quarter
- Management accounts consolidated adjusted EBITDA negative by €1,192 million in the year (positive by €614 million in FY 2020) and negative by €901 million in the fourth quarter. The result of the *backlog review* on E&C projects has affected the fourth quarter and the full year for €1,020 million and has resulted, on January 31, 2022, in the withdrawal of the outlooks announced to the market on October 28, 2021
- Confirmed signs of improvement in offshore and onshore drilling in the fourth quarter, with increased demand and prospects for full utilization of the operating fleet
- Excluding the accounting impact of the *backlog review*, management accounts consolidated adjusted EBITDA for the year would have been negative by €172 million, with a positive management account consolidated adjusted EBITDA of €94 million in the second half, of which approximately €120 million in the fourth quarter
- The results were also impacted by the continuing effects of the Covid-19 health emergency on operating activities, with delays in project execution and the postponement of investment decisions in segments of interest
- Management accounts consolidated adjusted operating result (EBIT) negative by €1,713 million in 2021 (profit of €23 million in FY 2020)
- Net debt including IFRS 16 lease liability as of December 31, 2021 of €1,541 million (€1,226 million as of December 31, 2020), an improvement compared to the third quarter (€1,673 million); liquidity at €2.3 billion, of which approximately €0.7 billion available and the remainder restricted mainly in joint venture projects
- New contracts awarded in 2021 for €7,208 million (€8,659 million in 2020). Awards in the fourth quarter, which were more than five times higher than in the third quarter, confirmed expectations of a recovery of investments in the offshore engineering and construction segment
- Backlog: €22,733 million, which increases to €24,682 million including the backlog of non-consolidated companies (€25,296 million as of December 31, 2020)

² *Unaudited*

Management accounts consolidated adjusted³ financial highlights

(€ million)

fourth quarter 2020	third quarter 2021	fourth quarter 2021	4th quarter 2021 vs 4th quarter 2020 (%)		2020	2021	2021 vs 2020 (%)
1,962	1,864	1,811	(7.7)	Revenues	7,342	6,875	(6.4)
123	(25)	(901)	ns	Adjusted EBITDA	614	(1,192)	ns
(11)	(159)	(1,039)	ns	Adjusted operating result (EBIT)	23	(1,713)	ns
872	1,394	1,223	40.3	Net financial debt pre-IFRS 16 lease liabilities	872	1,223	40.3
1,226	1,673	1,541	25.7	Net debt post-IFRS 16 lease liabilities	1,226	1,541	25.7
3,324	465	2,341	(29.6)	New contracts	8,659	7,208	(16.8)

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. The results of the XSight Division are not reported separately to the market and are included in the Onshore Engineering & Construction division, as these are still immaterial from a numerical standpoint; therefore, they are not presented separately to the market.

Backlog review initiated in January 2022

In January 2022, management initiated the *backlog review* on certain engineering and construction projects as a result of signals of difficulties that emerged after October 28, 2021, between November and December 2021, showing increased risks on certain specific offshore wind and onshore E&C projects.

The *backlog review* was completed in time for the approval of the 2021 preliminary consolidated adjusted management accounts and did not reveal any additional impact from the January 31, 2022 disclosure. In particular, the analysis covered around 80% of the overall consolidated backlog value as of September 30, 2021, and around 88% of the consolidated backlog of the E&C sectors as of the same date, which consisted of 22 projects.

Covid-19

During the crisis, the Company continued its commitment to the protection, health and safety of its people, in close relationships with clients and local authorities, in order to ensure the continuity of operations and safety at operational sites, and acting with responsibility towards the local communities. Our employees' health remains the top priority. Saipem continues to monitor the persistent emergency crisis and is promoting, on a voluntary basis, the vaccination process of its employees worldwide. To date, out of a total of around 32,000 employees, operating in more than 60 countries, the percentage of Saipem people who tested positive to COVID-19 has been around 25%, out of which 322 are still infected and constantly monitored by the company.

Upcoming corporate events

Saipem's Board of Directors will meet on March 15, 2022 to approve the revision of the 2022-2025 Strategic Plan, of the draft consolidated and statutory financial statements 2021, and of the financing package aimed at strengthening the financial and capital structure of the group. On the same date, since it is expected that 2021 closes with a loss more than one third of the share capital, the Board of Directors will also convene a Shareholders' Meeting for the approval of full year 2021 financial statements and to adopt the required measures in accordance with the law.

On March 16, 2022, the Company will hold a conference call with the financial community.

³ Adjusted results are management accounts which do not include "special items", items of income arising from events or transactions that are non-recurring or that are not considered to be representative of the ordinary course of business (e.g. write downs of fixed assets, contingent liabilities in relation to pending judgments, health & safety costs, redundancy costs)

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 (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 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.

Saipem is an advanced technological and engineering platform for the design, construction and operation of safe and sustainable complex infrastructure and plants. Saipem has always been oriented towards technological innovation and is currently committed, alongside its clients, on the frontline of energy transition with increasingly digitalised tools, technologies and processes that were devised from the outset with environmental sustainability in mind. It is listed on the Milan stock exchange and operates in over 60 countries around the world with 32 thousand employees from 130 different nationalities.

Website:

Switchboard: +39 0244231

Media relations

E-mail: media.relations@saipem.com

Investor Relations

E-mail: investor.relations@saipem.com

Contact point for retail investors

E-mail: segreteria.societaria@saipem.com

Analysis by business sector - Preliminary management accounts consolidated 2021 adjusted results:

Offshore Engineering & Construction

(€ million)

fourth quarter 2020	third quarter 2021	fourth quarter 2021	4th quarter 2021 vs 4th quarter 2020 (%)		2020	2021	2021 vs 2020 (%)
610	951	865	41.8	Revenues	2,749	2,848	3.6
(601)	(1,058)	(1,441)	ns	Expenses	(2,514)	(3,802)	51.2
9	(107)	(576)	ns	Adjusted EBITDA	235	(954)	ns
(63)	(67)	(70)	11.1	Depreciation and impairment losses	(297)	(261)	(12.1)
(54)	(174)	(646)	ns	Adjusted operating result	(62)	(1,215)	ns
1.5	(11.3)	(66.6)		Adjusted EBITDA %	8.5	(33.5)	
(8.9)	(18.3)	(74.7)		Adjusted EBIT %	(2.3)	(42.7)	
1,800	210	1,411		New contracts	3,423	4,000	

Residual backlog as of December 31, 2021: €7,437 million.

- Management accounts adjusted revenues in 2021 amounted to €2,848 million, up by 3.6% compared to the same period of 2020, mainly attributable to higher volumes developed in Europe, the Middle East and Americas, partly offset by the decrease in volumes in North Africa and Italy.
- Management accounts adjusted EBITDA in 2021 was negative by €954 million compared to the positive figure of €235 million in the same period of 2020, equal to 8.5% of revenues.
- The most significant awards in the fourth quarter were:
 - project Buzios 7, for Petrobras in Brazil, that includes the engineering, procurement, construction and installation (EPCI) of risers and other subsea structures, in addition to the related service lines and umbilicals. It also includes the supply of anchors for the FPSO unit and its hook up at field;
 - project Jansz-Io Compression, for Chevron Australia Pty Ltd, that includes the transport and installation of subsea structures, off the north-western coast of Australia, at a depth of around 1,400 metres;
 - project Sakarya Gas Field Development, that includes the transport and installation of pipelines in Turkey, offshore Erecli, at a depth of around 2,200 metres.

Analysis by business sector - Preliminary management accounts consolidated 2021 adjusted results:

Onshore Engineering & Construction

							(€ million)	
fourth quarter 2020	third quarter 2021	fourth quarter 2021	4th quarter 2021 vs 4th quarter 2020 (%)		2020	2021	2021 vs 2020 (%)	
1,212	721	722	(40.4)	Revenues	3,882	3,286	(15.4)	
(1,137)	(693)	(1,116)	(1.8)	Expenses	(3,689)	(3,722)	0.9	
75	28	(394)	ns	Adjusted EBITDA	193	(436)	ns	
(20)	(17)	(18)	(10.0)	Depreciation and impairment losses	(78)	(70)	(10.3)	
55	11	(412)	ns	Adjusted operating result	115	(506)	ns	
6.2	3.9	(54.6)		Adjusted EBITDA %	5.0	(13.3)		
4.5	1.5	(57.1)		Adjusted EBIT %	3.0	(15.4)		
1,355	124	881		New contracts	4,884	2,716		

Residual backlog as of December 31, 2021: €13,439 million.

- Management accounts adjusted revenues in 2021 amounted to €3,286 million, down 15.4% compared to the same period of 2020, mainly as a result of lower volumes in the Middle East.
- Management accounts adjusted EBITDA in 2021 was down by €436 million when compared with the positive figure of €193 million in the same period of 2020, equal to 5% of revenues.
- The most significant award during the fourth quarter relates to the Jafurah project, for Saudi Aramco, that encompasses the construction of a hydrocarbon collection system and the transport of gas and condensate to the new Jafurah plant, in the eastern province of Saudi Arabia.

Analysis by business sector - Preliminary management accounts consolidated 2021 adjusted results:

Offshore Drilling

(€ million)							
fourth quarter 2020	third quarter 2021	fourth quarter 2021	4 th quarter 2021 vs 4 th quarter 2020 (%)		2020	2021	2021 vs 2020 (%)
60	107	120	ns	Revenues	294	394	34.0
(48)	(76)	(80)	66.7	Expenses	(221)	(278)	25.8
12	31	40	ns	Adjusted EBITDA	73	116	58.9
(20)	(20)	(18)	(10.0)	Depreciation and impairment losses	(89)	(69)	(22.5)
(8)	11	22	ns	Adjusted operating result	(16)	47	ns
20.0	29.0	33.3		Adjusted EBITDA %	24.8	29.4	
(13.3)	10.3	18.3		Adjusted EBIT %	(5.4)	11.9	
94	70	40		New contracts	145	236	

Residual backlog as of December 31, 2021: €360 million.

- Management accounts adjusted revenues in 2021 amounted to €394 million, an increase of 34% compared to the same period of 2020. This was mainly due to the increased activity of the drillship S10000, which remained idle for extraordinary maintenance for approximately three months in 2020, and of the semi-submersible rigs Scarabeo 8 and Scarabeo 9, inactive for most of 2020, but also for the larger contribution of the drillship S12000, on stand-by during the same period of 2020, only partially offset by the reduced activity of the jack ups Perro Negro 7 and Perro Negro 8, idle for extraordinary maintenance during 2021.
- Management accounts adjusted EBITDA in 2021 amounted to €116 million, equal to 29.4% of revenues, compared to €73 million for the same period of 2020, equal to 24.8% of revenues, thanks to the higher fleet utilization described above.

Analysis by business sector - Preliminary management accounts consolidated 2021 adjusted results:

Onshore Drilling

				(€ million)		
fourth quarter 2020	third quarter 2021	fourth quarter 2021	4th quarter 2021 vs 4th quarter 2020 (%)	2020	2021	2021 vs 2020 (%)
80	85	104	30.0	417	347	(16.8)
(53)	(62)	(75)	41.5	(304)	(265)	(12.8)
27	23	29	7.4	113	82	(27.4)
(31)	(30)	(32)	3.2	(127)	(121)	(4.7)
(4)	(7)	(3)	(25.0)	(14)	(39)	ns
33.8	27.1	27.9		27.1	23.6	
(5.0)	(8.2)	(2.9)		(3.4)	(11.2)	
75	61	9		207	256	

Residual backlog as of December 31, 2021: €1,497 million.

- Management account adjusted revenues in 2021 amounted to €347 million, down 16.8% compared to the same period of 2020, as a result of reduced operations in South America.
- Management account adjusted EBITDA in 2021 amounted to €82 million, equal to 23.6% of revenues, a decrease compared to €113 million for the same period of 2020, equal to 27.1% of revenues.