

Saipem: Board of Directors approves consolidated financial statements for 2021, draft financial statements for 2021 and convenes shareholders' meeting

Preliminary 2021 adjusted consolidated operating figures confirmed as per press release issued on February 24, 2022.

Key consolidated economic and financial data

Revenues: €6,875 million (€7,342 million in 2020)

Adjusted EBITDA negative €1,192 million (positive €614 million in 2020) and negative €901 million in the fourth quarter. Result of *backlog review* on E&C projects weighed on the fourth quarter and the year by €1,020 million

Adjusted operating income (EBIT) 2021 negative €1,713 million (positive €23 million in 2020)

The net result registered a loss of €2,467 million (loss of €1.136 million of 2020)

Post-IFRS-16 net debt of €1,541 million (€1,226 million as of December 31, 2020), an improvement on the third quarter (€1,673 million)

Acquisition of new orders in 2021 of €7,208 million (€8,659 million in 2020), fourth quarter acquisitions more than five times higher than in the third quarter, confirmed expectations of a recovery in oil and gas investments

Saipem SpA's 2021 financial statements closed with a loss of €2,382 million, thus fulfilling the requirements of Article 2446 of the Civil Code

Limited year-end backlog exposure for projects in Russia, which accounts for around 1% of the IFRS backlog and around 8% of the backlog including non-consolidated companies

On February 24, 2022, Saipem announced the completion of the backlog review - initiated by management in January 2022 in anticipation of the results of the performance of contracts acquired in previous years - with no further impact with respect to the announcement on January 31, 2022.

- The review covered 22 projects, representing approximately 80% of the value of the total existing consolidated backlog at September 30, 2021 and approximately 88% of the consolidated backlog of the E&C segments at the same date, specifically approximately 74% of the offshore E&C backlog and approximately 95% of the onshore E&C backlog
- The result of the backlog review was the revision of the margins of 8 projects, which resulted in a negative impact on adjusted EBITDA 2021 of approximately €1 billion, due to expected whole-life losses recognized in the fourth quarter of 2021
- Of the negative impact on adjusted EBITDA 2021 of €1 billion, approximately €580 million relates to offshore wind projects and approximately €440 million relates to onshore E&C projects

San Donato Milanese, March 25, 2022 - The Board of Directors of Saipem SpA, chaired by Silvia Merlo, yesterday approved the Group's consolidated financial statements as of December 31, 2021, which close with a loss of €2,467 million (loss of €1,136 million in 2020) and the draft statutory financial statements of Saipem SpA, which close with a loss of €2,382 million (loss of €171 million in 2020), prepared in accordance with international accounting standards (International Financial Reporting Standards - IFRS approved by the EU). The Financial Statements of Saipem SpA therefore closed with losses exceeding one third of the share capital, thus fulfilling the requirements of Article 2446 of the Italian Civil Code.

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

The consolidated financial statements and the draft financial statements of Saipem SpA have been submitted to the Board of Statutory Auditors and the Independent Auditors, together with the Management Report. The Annual Financial Report will be made available to the public within the terms of the law at the Company's registered office, on the Company's website, www.saipem.com, at the authorized storage mechanism "eMarket STORAGE" (www.emarketstorage.com) and on the website of Borsa Italiana SpA (www.borsaitaliana.it).

The Board of Directors approved the Report on Corporate Governance and Ownership Structure as well as the Non-Financial Statement prepared pursuant to Legislative Decree no. 254/2016, integrated as a separate chapter in the Management Report. The Board of Directors also approved the voluntary document 2021 Sustainability Report, which Saipem has been publishing since 2006 and which provides extensive reporting for the benefit of international stakeholders on the company's commitments and strategy towards business sustainability and the energy transition, describing the excellence of the services offered to the market and the skills of its people, factors that contribute to the creation of shared value. The Report on remuneration policy and compensation paid will be submitted to the Board of Directors for examination and approval in the coming days. These documents will be published at the same time as the Annual Report.

Shareholders' Meeting

Ordinary and Extraordinary Shareholders' Meeting The Board of Directors convened the Shareholders' Meeting in ordinary and extraordinary session, for May 17, 2022 in a single call.

Shareholders may only attend the Meeting through their appointed representative, in compliance with the provisions contained in art. 106 of the decree-law of March 17, 2020 no. 18, converted, with amendments, into the Law of April 24, 2020, no. 27 ("Decree no. 18/2020") and as last extended by paragraph 1 of art. 3 of Decree-Law no. 228 of December 30, 2021, converted, with amendments, into Law no. February 25, 2022 no. 15.

Shareholders will be asked to approve the financial statements for the financial year 2021, which closes with a loss of EUR 2,382,569,149.09, and to make good this loss in accordance with Article 2446.

The Shareholders' Meeting will also be called upon to resolve on the Report on the remuneration policy and the remuneration paid, drawn up in compliance with art. 123-ter of T.U.F. and art. 84-quater of the Issuers' Regulations; the resolution will be binding for the first section of the Report (remuneration policy) and non-binding for the second section (fees paid).

In addition, the Board of Directors resolved to submit, to the Extraordinary Shareholders' Meeting, the proposal to assign the Board of Directors pursuant to art. 2443 of the Italian Civil Code the power to increase the share capital to be offered in option to shareholders against payment, for a maximum of EUR 2 billion, to be carried out by March 31 2023, in indivisible form, through the issue of ordinary shares and the related share regrouping operation functional to the capital increase with consequent amendment of art. 5 of the Articles of Association.

Special Meeting of Saving Shareholders

Finally, the Board of Directors convened the Special Meeting of Savings Shareholders also for May 17, 2022 (in a single call) to appoint the new Common Representative of the Savings Shareholders. Intervention at the Special Meeting of Savings Shareholders may also take place exclusively through the Representative appointed pursuant to Decree-Law no. 18/2020.

The documentation relating to the items on the agenda of the Ordinary and Extraordinary Shareholders' Meeting and of the Special Meeting of Savings Shareholders, the complete texts of the resolution proposals, together with the explanatory reports, as provided for by current legislation, will be made available to the public within the terms set out by law at the registered office, at the authorised storage mechanism "eMarket STORAGE" (www.emarketstorage.com), on the website of Borsa Italiana SpA (www.borsaitaliana.it) as well as in the specific section dedicated to the Shareholders' Meeting of the Company's website (www.saipem.com).

The Board of Directors resolved to cancel the Long-Term Incentive Plan with reference to the 2019 award and not to activate the Short-Term Incentive Plan with reference to the 2021 performance for the monetary and equity components.

In addition, the share-based Long-Term Incentive Plan that expired in 2021 is not being renewed, but a single Short-Term Variable Incentive Plan for the year 2022 is proposed for approval by the shareholders.

Short-term Incentive Plan 2022

The Board of Directors, having obtained the favourable opinion of the Board of Statutory Auditors pursuant to art. 2389 of the Italian Civil Code, paragraph 3, resolved to submit for the approval of the Shareholders' Meeting the adoption of a Short-Term Variable Incentive Plan for the year 2022 (the "Plan"), drawn up on the proposal of the Remuneration and Appointments Committee, consisting entirely of non-executive and mainly independent directors.

The Plan, which cancels and replaces the third and final award of the previous 2021-2023 Short-Term Incentive Plan and constitutes the only variable management incentive scheme for the year 2022, provides, only upon the achievement of the annual performance targets assigned for the year 2022, both corporate and individual, the accrual of monetary incentives in the year 2023, of which 60% will be paid. The remaining 40% will be deferred for a two-year period and the amount actually disbursed will be determined according to the change in the average trading price of the Saipem share in the two-year deferral period, with a view to aligning the interests of Management with the priority objective of creating sustainable value for stakeholders and consistent with the medium/long-term nature of the business exercised.

The Plan applies to the management of Saipem and its subsidiaries and is to be considered "of particular relevance" within the meaning of art. 84-bis, paragraph 2, of the Issuers' Regulations, since it is also intended for the persons referred to in art. 114-bis of the Consolidated Finance Act, and in particular to the Chief Executive Officer-General Manager of Saipem, the General Manager and the other Managers with Strategic Responsibilities of Saipem.

The specific conditions and purposes of the Plan are illustrated in the Information Document, drawn up in accordance with Article 114-bis of the Consolidated Finance Act and Article 84-bis, paragraph 2, of Consob's Issuers' Regulation, which will be made available to the public within the terms and according to the procedures provided for by current legislation.

The proposal was prepared in compliance with the provisions of Article 114-bis of Legislative Decree. 58 of February 24, 1998 (Consolidated Law on Finance), also taking into account the implementation regulations issued by Consob concerning the allocation of remuneration plans based on financial instruments to corporate officers, employees or collaborators.

Foreseeable evolution of operations

The expected performance of the reference markets, as well as the Group's economic and financial targets for the current year and for the 2022-25 Plan term are described in the specific press release also published today: "Saipem: update of the 2022-25 Plan and the proposed maneuver to strengthen the Company's financial and capital structure approved" which should be consulted for further details.

Highlights

(€ million)

fourth quarter 2020	third quarter 2021	fourth quarter 2021	4th quarter 2021 vs 4th quarter 2020 (%)		2020	2021	21 vs 20 (%)
1,962	1,864	1,811	(7.7)	Revenues	7,342	6,875	(6.4)
75	(66)	(1,195)	ns	EBITDA	428	(1,650)	ns
123	(25)	(901)	ns	Adjusted EBITDA	614	(1,192)	ns
(73)	(295)	(1,333)	ns	Operating result (EBIT)	(845)	(2,266)	ns
(11)	(159)	(1,039)	ns	Adjusted operating result (EBIT)	23	(1,713)	ns
(120)	(342)	(1,346)	ns	Net Result	(1,136)	(2,467)	ns
(58)	(206)	(1,052)	ns	Adjusted net result	(268)	(1,914)	ns
133	(257)	183	37.6	Free cash flow	(187)	(193)	3.2
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
80	60	103	28.8	Capital expenditure	322	298	(7.5)
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.

Business update for 2021

In 2021, the revenues amounted to €6,875 million (€7,342 million in 2020), and the adjusted EBITDA is negative for €1,192 million (positive for €614 million in 2020). The worsening is mainly recorded in the Engineering & Construction sector as a result of the backlog review as commented below in the paragraph "Analysis by business sector".

The revenues include initial agreed contract price and additional remunerations related to change orders on project scope of work and requested claims. Change orders are composed by additional revenues deriving from project contractual works deviations required by the client; Claims are relevant to additional revenues related to additional costs incurred due to reasons borne by the client.

The change orders and claims are included in the amount of revenues when they present a high probability of recognition in the object and/or in the price, even though there is still no agreement regarding their definition with relevant counterparties.

The cumulative amount of change orders and claims (pending revenues) in the Engineering & Construction sector as of December 31, 2021, determined with reference to the progress of the projects also in previous years, is equal to of €176 million, down by €333 million compared to September 30, 2021 (€275 million as of December 31, 2020).

The **adjusted net result** registered a loss of €1,914 million (loss of €268 million of 2020). The negative change in the adjusted operating result, €1,736 million, added to the improvement in financial management,

taxation and the lower result of minority interests is partly offset by the worsening of the balance of the management of equity investments.

Net result recorded a loss of €2,467 million (loss of €1,136 million 2020) and, unlike adjusted net profit, was impacted by the following special items:

- partial impairment of three vessels and three logistic bases, which are expected to be disposed of over the course of the plan, and of the related working capital, for €124 million;
- Contingent liabilities of €293 million arising from the settlement of legal disputes relating to two long-completed projects and the effects of the first degree decision of the Algiers Court concerning the Arzew LNG3 project, against which Saipem has appealed;
- costs deriving from the healthcare emergency for €78 million. This amount includes the costs incurred in the period directly attributable to the Covid-19 pandemic, such as costs for the resources on stand-by, in accordance with quarantine regulations and in cases where activities at operating sites and onboard vessels were suspended by the authorities, for the purchase of personal protective equipment and devices in addition to the standard requirements, for sanitising work areas and for the organisation of return charter flights for people;
- reorganization expenses of €58 million.

The impairment test at as of December 31, 2021 did not show to any impairment losses.

Adjusted EBIT - EBIT reported reconciliation

(€ million)

	E&C Offshore	E&C Onshore	Offshore Drilling	Onshore Drilling	Total	
EBIT adjusted	(1,215)	(506)	47	(39)	(1,713)	
Costs for Covid-19 healthcare emergency	50	14	8	6	78	(a)
Impairment of assets and right of use of third-party assets	77	18	-	-	95	
Impairment losses of current assets	29	-	-	-	29	(a)
Restructuring expenses	33	21	2	2	58	(a)
Dispute settlements	-	293	-	-	293	(a)
Total special items	(189)	(346)	(10)	(8)	(553)	(a)
Reported EBIT	(1,404)	(852)	37	(47)	(2,266)	

a) Special items with an impact on EBITDA totalled €458 million, which represent the reconciliation between the adjusted EBITDA (negative for €1,192 million) and the reported EBITDA (negative for €1,650 million)

In the corresponding period of 2020, the net result recorded a loss equal to €1,136 million and was affected by the following special items compared to the adjusted net result:

- write-downs of tangible assets in the Offshore Drilling division of €590 million deriving from the impairment test;
- write-down of tangible assets and related working capital, as well as of the right-of-use of a third-party asset for €114 million;
- contingent liabilities of approx. €24 million, in relation to a long-pending lawsuit on projects now concluded, deriving from the activity of periodical legal monitoring of the progress of the dispute;
- costs deriving from the healthcare emergency for about €110 million;
- reorganization expenses of €30 million.

Capital expenditure in the first nine months of 2021, amounted to €298 million (€322 million in 2020, including the acquisition of the new vessel Norce Endeavour), and was divided as follows:

- €150 million in Offshore Engineering & Construction;
- €20 million in Onshore Engineering & Construction;
- €76 million in Offshore Drilling;
- €52 million in Onshore Drilling.

Net financial debt as of December 31, 2021, pre-IFRS 16 lease liability, amounted to €1,223 million, recording an increase of €351 million compared to December 31, 2020 (€872 million), mainly due to the slowdown of certain ongoing projects. Net financial debt inclusive of IFRS 16 lease liabilities (€318 million) amounted to €1,541 million.

Gross debt as of December 31, 2021 amounted to €3,541 million, liquidity €2,318 million and available cash to €702 million.

Backlog

In 2021 Saipem was awarded new contracts amounting to a total of €7,208 million (€8,659 million in 2020). The backlog as of December 31, 2021 amounted to €22,733 million (€7,437 million in Offshore Engineering & Construction, €13,439 million in Onshore Engineering & Construction, €360 million in Offshore Drilling and €1,497 million in Onshore Drilling), of which €8,062 million to be executed in 2022.

The backlog including non-consolidated companies as of December 31, 2021 amounted to €24,682 million (€7,484 million in Offshore Engineering & Construction, €15,341 million in Onshore Engineering & Construction, €360 million in Offshore Drilling and €1,497 in Onshore Drilling), of which €9,031 million to be executed in 2022.

New Orders after the closing

As announced on January 11, 2022, Saipem was awarded two new contracts in the Engineering & Construction Offshore:

- for Scarborough Joint Venture, a contract for the installation and lining of the export trunkline of the gas pipeline that will connect the Scarborough gas field with the corresponding Onshore facility;
- for Esso Exploration and Production Guyana Ltd (EEPGL), part of the ExxonMobil group, a contract for the development of the Yellowtail project in the Stabroek offshore block off Guyana at a depth of approximately 1,800 metres.

On March 17, 2022, Saipem also signed a new agreement for Offshore Drilling with Aker BP for the use of the semi-submersible platform Scarabeo 8 off the coast of Norway.

Russia - Ukraine Crisis

The contracts involving activities in Russia and/or with Russian customers are: (i) Moscow Refinery - customer GazpromNeft; (ii) Arctic LNG 2 GBS (in JV with Technip) - customer Novatek - Scope of Work EPCI; (iii) Arctic LNG 2 TSOE (in JV with Renaissance) - customer Novatek - Scope of Work EPCI; (iv) a contract for gas drilling in Arctic waters with the use of the drilling rig Perro Negro 8 which is currently outside Russian territorial waters. The Company confirms that it operates in full compliance with the provisions established by European and national institutions with respect to the Russian Federation. The Company is monitoring the continuous evolution of the situation in order to assess its impacts and has activated and will continue to activate, depending on the evolution of the situation, the appropriate contractual clauses to protect its rights and interests.

On the four projects, the total backlog amounts to €1,966 million, of which €254 million for projects included in Saipem's scope of consolidation. In the scenario, considered however unlikely, of the immediate cancellation of the contracts, the impact on EBITDA and consolidated net result is estimated to be not significant. In this scenario the overall financial impact is estimated to be between 100 and 150 million euros, also taking into account the expected dividends. This estimate does not take account of the enforcement of guarantees in favor of clients, considering this to be a remote event as well, which would in any case be mitigated by the cash on hand associated with the advances received from clients.

However, it cannot be excluded that a further extreme deterioration in the geopolitical situation and the associated international sanctions could lead to more significant impacts, which cannot be estimated at present.

This press release must be read in conjunction with the Interim Consolidated Financial Report as of June 30, 2021 and the Consolidated Annual Financial Report as of December 31, 2020 of Saipem S.p.A., which are already available on the Company's website (www.saipem.com), under the section "Investor Relations - Financial information".

Saipem's Chief Financial Officer, Antonio Paccioretti, in his capacity as manager responsible for the preparation of the Company's financial reports, certifies, pursuant to Article 154-bis, paragraph 2, of the Financial Law (TUF) that the accounting data correspond to the Company's documents, accounting books and entries.

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

Conference call and webcast

The results contained in this press release will be presented today at 11:00 a.m. Italian time during a conference call and webcast by CEO Francesco Caio, General Manager Alessandro Puliti and CFO Antonio Paccioretti. The conference call can be followed in webcast mode by connecting to the website www.saipem.com and clicking on the banner 'FULL YEAR 2021 RESULTS, UPDATED 2022-25 PLAN AND FINANCING PACKAGE PRESENTATION' on the home page, or through the following URL <https://edge.media-server.com/mmc/p/zwdu97nz>

During the conference call and webcast, a presentation will be given which will be available for download from the webcast window or from the "Investor Relations/Quarterly results and documentation/Reports archive" section on Saipem's website (www.saipem.com) around 30 minutes before the scheduled start time. This presentation will also be available for download from the authorized storage device "eMarketSTORAGE" (www.emarketstorage.com) and Borsa Italiana SpA (www.borsaitaliana.it).

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

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Analysis by business sector - Adjusted results

Offshore Engineering & Construction

(€ million)

fourth quarter 2020	third quarter 2021	fourth quarter 2021	4th quarter 2021 vs 4th quarter 2020 (%)		2020	2021	21 vs 20 (%)
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, of which €3,689 to be realised in 2022.

- Revenues for 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 South America, partly offset by the decrease in volumes in North Africa and Italy.
- Adjusted EBITDA in 2021 was a negative €954 million, down from a positive €235 million in the corresponding period of 2020, representing 8.5% of revenues; the 2021 result was negatively impacted by approximately €580 million in the fourth quarter in relation to wind projects included in the backlog review, in addition to higher costs already recognized in the first nine months of approximately €370 million.
- The most significant awards in the fourth quarter were:
 - project Buzios 7, for Petrobras in Brazil, that includes the engineering, supply, 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 connection to the field;
 - project Jansz-lo 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.

Onshore Engineering & Construction

(€ million)

fourth quarter 2020	third quarter 2021	fourth quarter 2021	4th quarter 2021 vs 4th quarter 2020 (%)		2020	2021	21 vs 20 (%)
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, of which €3,693 to be executed in 2022.

Revenues for 2021 amounted to €3,286 million, down 15.4% compared to the corresponding period of 2020, mainly as a result of lower volumes in the Middle East.

Adjusted EBITDA in 2021 was a negative €436 million, compared to a positive €193 million in the corresponding period of 2020, equivalent to 5% of revenue; the 2021 result was negatively impacted by approximately €440 million from the projects backlog review.

- The most significant award during the fourth quarter relates to the Jafurah project, for Saudi Aramco, that includes the construction of a hydrocarbon harvesting system and the transport of gas and condensate to the new Jafurah plant, in the eastern province of Saudi Arabia.

Offshore Drilling

(€ million)

fourth quarter 2020	third quarter 2021	fourth quarter 2021	4th quarter 2021 vs 4th quarter 2020 (%)		2020	2021	21 vs 20 (%)
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, of which €262 to be executed in 2022.

- Revenues for 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 compensated by the reduced activity of the jack ups Perro Negro 7 and Perro Negro 8, idle for extraordinary maintenance during 2021.
- The adjusted EBITDA for 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 aforementioned increase in the fleet use.

The utilisation of the main vessels in 2021 is shown in the following table:

Vessel	2021	
	under contract	non-operating (days)
Semi-submersible rig Scarabeo 5	365	-
Semi-submersible rig Scarabeo 8	322	43 (b)
Semi-submersible platform Scarabeo 9	160	205 (b)
Drillship Saipem 10000	365	-
Drillship Saipem 12000	333	32 (b)
Drillship Santorini*	47	-
Jack up Perro Negro 2	-	223 (c)
Jack up Perro Negro 4	321	44 (a)
Jack up Perro Negro 5	-	223 (c)
Jack up Perro Negro 7	292	73 (a)
Jack up Perro Negro 8	257	108 (a+b)
Jack up Pioneer Jindal*	365	-
Jack up Sea Lion 7*	365	-
Jack up Perro Negro 9*	365	-
Tender Assisted Drilling Barge	-	365 (d)

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

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

(c) = plants sold during the third quarter under current regulations (green recycling)

(d) = Rig intended for disposal according to current regulations (green recycling).

* vessels hired by third parties

Onshore Drilling

(€ million)

fourth quarter 2020	third quarter 2021	fourth quarter 2021	4th quarter 2021 vs 4th quarter 2020 (%)		2020	2021	21 vs 20 (%)
80	85	104	30.0	Revenues	417	347	(16.8)
(53)	(62)	(75)	41.5	Expenses	(304)	(265)	(12.8)
27	23	29	7.4	Adjusted EBITDA	113	82	(27.4)
(31)	(30)	(32)	3.2	Depreciation and impairment losses	(127)	(121)	(4.7)
(4)	(7)	(3)	(25.0)	Adjusted operating result	(14)	(39)	ns
33.8	27.1	27.9		Adjusted EBITDA %	27.1	23.6	
(5.0)	(8.2)	(2.9)		Adjusted EBIT %	(3.4)	(11.2)	
75	61	9		New contracts	207	256	

Residual backlog as of December 31, 2021: €1,497 million, of which 418 million will be executed in 2022.

- Revenues for 2021 amounted to €347 million, down 16.8% compared to the corresponding period of 2020, as a result of reduced operations in South America.
- The adjusted EBITDA for the first nine months of 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.

The operating activity recorded an average use of rigs equal to 47.4% (54.9% in the same period of 2020) which drops to 37.7% (43.6% in the same period of 2020) if the Venezuelan rigs are included. The latter are totally depreciated systems and considered, given the current conditions, not suitable for use.

The highest utilisation rate was recorded in the region referring to Europe, the Middle East, and Africa where the operating fleet recorded 59,2% of days sold. The number of rigs present in the region as of 31 December 2021 was equal to 26 (the same as in the corresponding period of 2020). In addition, 1 unit owned by third parties was used in the Congo.

In Latin America, the average utilisation rate was recorded at 33.4% (30.6% in the corresponding period of 2020) which drops to 21.3% (19.6% in the corresponding period of 2020) considering the Venezuelan plants. The number of rigs present in the region as of December 31, 2021 was 30 (the same as in the corresponding period of 2020) without including the 17 plants in Venezuela.

The reclassified balance sheet, income statement and cash flow statement for both Saipem SpA and the Group are attached.

The reconciliation of the reclassified financial statements to the statutory financial statements is provided in the respective Annual Reports in the sections "Reconciliation of the reclassified financial statements to the statutory financial statements".

SAIPEM SpA

STATEMENT OF FINANCIAL POSITION

(€ million)

	December 31, 2020	December 31, 2021
Net tangible assets	337	302
Right-of-Use assets	92	66
Intangible assets	33	30
Equity investments	2,422	609
Non-current assets	2,884	1,007
Net current assets	366	81
Employee benefits	(119)	(105)
EMPLOYED CAPITAL, NET	3,131	983
Equity	2,937	471
Net financial debt pre-IFRS 16 lease liabilities	98	428
Lease liabilities	96	84
Net debt	194	512
FUNDING	3,131	983

SAIPEM SPA**INCOME STATEMENT**

(€ million)

	Year	
	2020	2021
Core business revenue	2,354	2,048
Other income and revenue	120	116
Net reversals of impairment losses (impairment losses) on trade receivables and other assets	(17)	(49)
Purchases, services and other costs	(1,963)	(2,079)
Personnel expenses	(486)	(490)
GROSS OPERATING PROFIT	8	(454)
Depreciation, amortisation and impairment losses	(113)	(120)
Operating profit	(105)	(574)
Net financial income (expense)	6	15
Income (loss) from investments	(59)	(1,819)
Pre-tax profit results	(158)	(2,378)
Income taxes	(13)	(4)
Net Result	(171)	(2,382)

SAIPEM SpA

Statement of cash flows

(€ million)

	Year	
	2020	2021
Financial year result	(171)	(2,382)
<i>adjustments:</i>		
Depreciation, amortization and other non-monetary items	233	1,904
- (Gains) losses on disposal of assets	(1)	(1)
Dividends, interest and income tax	(48)	(6)
Changes in working capital related to operations	(29)	235
Dividends received, income taxes paid, interest paid and received	50	-
Net cash flows from operating activities	34	(250)
Capital expenditure	(40)	(39)
Investments for operating purposes	-	(1)
Disposals	4	4
Free cash flow	(2)	(286)
Sale (purchase) of treasury shares	(17)	(15)
Cash flow from capital and reserves	(10)	-
Repayment of lease liabilities	(41)	(40)
Exchange differences on net borrowings and other changes	(24)	11
Change in net debt before lease liabilities	(94)	(330)
Change in lease liabilities	11	12
Change in net debt	(83)	(318)
Net debt at beginning of period	111	194
Net debt at end of period	194	512

SAIPEM GROUP

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(€ million)

	December 31, 2020	December 31, 2021
Net tangible assets	3,284	3,113
Right-of-Use assets in leasing	288	261
Intangible assets	<u>701</u>	<u>699</u>
	4,273	4,073
Equity investments	140	127
Non-current assets	4,413	4,200
Net current assets	(2)	(2,070)
Employee benefits	(237)	(238)
Assets available for disposal	-	-
EMPLOYED CAPITAL, NET	4,174	1,892
Equity	2,923	326
Non-controlling interests	25	25
Net financial debt pre-IFRS 16 lease liabilities	872	1,223
Lease liabilities	354	318
Net debt	1,226	1,541
FUNDING	4,174	1,892
Leverage post IFRS 16 (net debt/shareholders' equity including minority interest)	0.42	4.39
SHARES ISSUED AND OUTSTANDING	1,010,977,439	1,010,977,439

SAIPEM GROUP

CONSOLIDATED INCOME STATEMENT RECLASSIFIED BY NATURE OF EXPENSES

			(€ million)	
Q4 2020	Q3 2021	Q4 2021	Year	
			2020	2021
1,962	1,864	1,811	7,342	6,875
(1)	2	1	12	5
(1,493)	(1,526)	(2,558)	(5,294)	(6,837)
5	1	7	(7)	(42)
(398)	(407)	(456)	(1,625)	(1,651)
75	(66)	(1,195)	428	(1,650)
(148)	(229)	(138)	(1,273)	(616)
(73)	(295)	(1,333)	(845)	(2,266)
(33)	(32)	(52)	(166)	(140)
27	15	19	37	9
(79)	(312)	(1,366)	(974)	(2,397)
(37)	(30)	20	(143)	(70)
(116)	(342)	(1,346)	(1,117)	(2,467)
(4)	-	-	(19)	-
(120)	(342)	(1,346)	(1,136)	(2,467)
28	(113)	(1,208)	137	(1,851)

SAIPEM GROUP

CONSOLIDATED INCOME STATEMENT RECLASSIFIED BY FUNCTION OF EXPENSES

			(€ million)		
Q4 2020	Q3 2021	Q4 2021	Year		
			2020	2021	
1,962	1,864	1,811	Core business revenue	7,342	6,875
(1,862)	(2,041)	(3,000)	Production costs	(7,489)	(8,564)
(75)	(58)	(56)	Idle costs	(354)	(250)
(36)	(21)	(28)	Selling expenses	(157)	(134)
(13)	(7)	(13)	Research and development expenses	(35)	(35)
(10)	3	(12)	Other operating income (expenses), net	-	(5)
(34)	(260)	(1,298)	CONTRIBUTION FROM OPERATIONS	(693)	(2,113)
(39)	(35)	(35)	General and administrative expenses	(152)	(153)
(73)	(295)	(1,333)	OPERATING PROFIT	(845)	(2,266)
(33)	(32)	(52)	Finance expense	(166)	(140)
27	15	19	Income (loss) from investments	37	9
(79)	(312)	(1,366)	PROFIT (LOSS) BEFORE TAXES	(974)	(2,397)
(37)	(30)	20	Income taxes	(143)	(70)
(116)	(342)	(1,346)	PROFIT (LOSS) BEFORE NON-CONTROLLING INTERESTS	(1,117)	(2,467)
(4)	-	-	Loss attributable to non-controlling interests	(19)	-
(120)	(342)	(1,346)	NET PROFIT	(1,136)	(2,467)
28	(113)	(1,208)	CASH FLOW (net result + depreciation and amortization)	137	(1,851)

SAIPEM GROUP

RECLASSIFIED CASH FLOW STATEMENT

			(million euros)		
Q4 2020	Q3 2021	Q4 2021	Year		
			2020	2021	
(120)	(342)	(1,346)	Net profit (loss) for the period	(1,136)	(2,467)
4	-	-	Result of the period of third parties	19	-
<i>adjustments:</i>					
192	159	996	Depreciation, amortization and other non-monetary items	1,308	1,644
133	(18)	627	Changes in working capital related to operations	(68)	913
209	(201)	277	Net cash flow from operations	123	90
(80)	(60)	(103)	Capital expenditure	(322)	(298)
(1)	-	-	Investments in equity, consolidated subsidiaries and businesses	(4)	-
5	4	9	Disposals	16	15
133	(257)	183	Free cash flow	(187)	(193)
-	(15)	-	Treasury shares repurchased/Stock option exercise	(16)	(15)
-	-	-	Share capital increase net of expenses	-	-
(1)	-	-	Cash flow from capital and reserves	(69)	(26)
(27)	(22)	(19)	Repayment of lease liabilities	(126)	(126)
(4)	1	7	Exchange differences on net borrowings and other changes	(2)	9
101	(293)	171	Change in net debt before lease liabilities	(400)	(351)
72	17	(39)	Change in lease liabilities	256	36
173	(276)	132	Change in net debt	(144)	(315)
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1,399	1,397	1,673	Net debt at beginning of period	1,082	1,226
1,226	1,673	1,541	Net debt at end of period	1,226	1,541