

Saipem revises backlog and withdraws outlook announced on October 28, 2021. Statutory financial statements in 2021 are expected to show a loss for more than one third of the company's equity. The Company has initiated preliminary discussions with banking counterparties as well as with shareholders ENI S.p.A. and CDP Industria S.p.A. to ascertain their willingness to support an appropriate financing package

San Donato Milanese (Italy), January 31, 2022 - The Board of Directors of Saipem S.p.A., chaired by Silvia Merlo, met over the weekend to examine the scenarios arising from the work currently being undertaken by management to prepare the preliminary consolidated results as of December 31, 2021.

The review of the backlog of contracts awarded in the past which was initiated by management in anticipation of the drafting of the full year results indicates a significant deterioration of the full life margins of some projects related to E&C Onshore and Offshore wind, due to the persistence of the pandemic and the current and prospective increase of the costs of raw materials and logistics, in accordance with international accounting standards, this will have an impact on the consolidated financial results of Saipem.

Preliminary estimates arising from the ongoing preparation of the 2021 consolidated preliminary results show the following when compared to the outlook communicated to the market on October 28, 2021:

- Consolidated adjusted EBITDA for the second half of 2021 down by approximately €1 billion compared to the positive outlook for consolidated adjusted EBITDA, a reduction entirely attributable to: i) the backlog review for Onshore E&C projects for which the increase in costs for materials and logistics is, depending on the types of contracts, only partially recoverable and ii) recent further difficulties in offshore wind projects, for which impacts from delays in critical supplies are combined with revised estimates of execution times and costs.
- Contraction of consolidated revenues for the second half of 2021 from €4.5 billion to €3.5 billion. The projected increase in whole-life costs, as outlined above, results in lower project margins which, as a result of the application of international accounting standards, also translates into lower revenues. Considering also lower volumes for reimbursable costs (with no effect on EBITDA) and the slowdown in the progress of some contracts due to the protracted pandemic, consolidated revenues for the second half of 2021 are expected to be €3.5 billion compared to the outlook of around €4.5 billion.

- Capex of around 0.16 billion euros, compared with the outlook of around 0.25 billion euros for the second half of 2021.
- On the other hand, the net financial position at the end of 2021 improved, amounting to approximately 1.5 billion euros compared to the outlook of approximately 1.7 billion euros.

As a result of the above, Saipem's statutory financial statements for 2021 are expected to close with losses in excess of one-third of company's equity, which trigger the application of Article 2446 of the Italian Civil Code.

The occurrence of such conditions may, following the expiry of the contractual terms (where applicable), and in the absence of a specific waiver from the banks, give rise to the right of the banks to accelerate the repayment of certain outstanding loans to the Saipem Group.

In this regard, Saipem has initiated preliminary discussions with these banking counterparties to preempt the potential consequences on the loan agreements resulting from an occurrence of events referred to in Article 2446 of the Italian Civil Code.

Saipem has also initiated preliminary discussions with the shareholders exercising joint control over the Company, ENI S.p.A. and CDP Industria S.p.A., in order to ascertain also their willingness to support an appropriate and timely financing package.

As a result of the above, the Board of Directors resolved to withdraw the outlook announced on October 28, 2021. Once the statutory and consolidated preliminary results have been completed and approved, which will occur as soon as possible, the Board of Directors will call the Shareholders' Meeting to take the appropriate measures according to law.

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.

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