



Saipem: the Board of Directors approves the 2020 Consolidated and preliminary Statutory Financial Statements, confirming the data of the preliminary Financial Statements

Convening of the Annual General Shareholders' Meeting

- Revenues: €7,342 million
- Adjusted EBITDA: €614 million
- EBITDA: €428 million
- Adjusted EBIT: €23 million
- EBIT: loss of €845 million
- Adjusted net result: loss of €268 million
- Net result: loss of €1,136 million

San Donato Milanese, 12 March 2021 - The Board of Directors of Saipem SpA, chaired by Mr. Francesco Caio and held today, approved the Group Consolidated Financial Statements as at 31 December 2020, which closed with a loss of €1,136 million (profit of €12 million in 2019) and the preliminary Statutory Financial Statements of Saipem SpA, which closed with a loss of €171 million (loss of €85 million in 2019). These Financial Statements 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 2020 preliminary Financial Statements published on February 25, 2021.

The Board of Directors resolved not to propose the distribution of dividends at the shareholders' meeting.

The Consolidated and preliminary Statutory Financial Statements of Saipem SpA were submitted 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 law at Saipem's headquarters and shall be published on Saipem's website, www.saipem.com, on the authorised "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 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 of Directors also approved the 2020 Sustainability Report document "Ready for the transition - Enabling a green future", which provides information on the company's commitments and strategy towards the energy transition, the excellence of services offered to the market and its people, as well as the creation of shared value. These documents will be published with the same timing as the Annual Report.

Annual General Shareholders' Meeting

The Board of Directors convened the Annual General Shareholders' Meeting for 30 April 2021 in a single call, save for any updates, which shall be communicated in a timely manner, on any consequent new regulatory provisions that may be issued in relation to the COVID-19 health crisis. Participation in the Shareholders' Meeting may occur exclusively through the Designated Representative, in accordance with the provisions contained in Article 106 of Decree Law No. 18 dated 17 March 2020, converted, with amendments into Law

No. 27 dated 24 April 2020 and as extended as a result of paragraph 6 of Article 3 of Decree Law No. 183 dated 31 December 2020, converted, with amendments into Law No. 21 dated 26 February 2021.

The shareholders will be called to approve the 2020 Statutory Financial Statements and the allocation of the result for the year under the terms proposed by the Board of Directors.

The shareholders' meeting will be called to resolve on the Report on Saipem's Remuneration Policy and Compensation paid, drawn up in accordance with Article 123-*ter* of the T.U.F. (Consolidated Law on Finance) and Article 84-*quater* of the Issuers' Regulations; the resolution will be binding on the first section of the Report (remuneration policy) and non binding on the second section (compensation paid).

The Board of Directors appointed by the Shareholders' Meeting of 3 May 2018 expires with the Shareholders' Meeting for the approval of the Financial Statements as at 31 December 2020. Therefore, the Shareholders' Meeting will be called to appoint the new Board of Directors, on the basis of voting list presented by the Shareholders, to determine the number of the Directors, their term of office, their remuneration for the term of office and to appoint the Chairman of the Board of Directors.

Authorization to buy-back treasury shares to for the allocation to the incentive plans

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

- up to a maximum of 3,500,000 ordinary shares and, in any case, up to the overall maximum amount of €9,800,000, to be allocated to the 2022 award of the 2021-2023 short-term Incentive Plan (due to the specific conditions and purposes of this Plan, approved by the Shareholders' Meeting on 29 April 2020, please refer to the documentation in the specific section of Saipem's website (www.saipem.com - "Shareholders' Meeting" - 2020 Meeting Section);
- up to a maximum of 22,000,000 ordinary shares and, in any case, up to the total maximum amount of €61,400,000, to be allocated to the 2021 award of the 2019-2021 long-term Incentive Plan (for the specific conditions and purposes of this Plan, approved by the Shareholders' Meeting of 30 April 2019, please refer to the documentation in the specific section of Saipem's website (www.saipem.com - "Shareholders' Meeting" - 2019 Meeting Section).

Authorisations for the buy-back of treasury shares are requested for a period of eighteen 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, anyway, 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 shareholders' equal treatment, 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), and 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 17,532,670 treasury shares, equal to 1.73% of the ordinary shares, intended for the implementation of long-term incentive plans resolved in previous years.

The documentation relating to the items on the agenda of the Shareholders' Meeting, the integral texts of the resolution proposals, together with the Explanatory Reports, required by current legislation, will be made available to the public pursuant to the law at the company's headquarters, through 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 of the Company's website (www.saipem.com - "Shareholders' Meeting" Section).

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 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 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 Covid-19 pandemic (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 60 countries worldwide and has 32 thousand employees of 130 different nationalities.

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

The reconciliation of the reclassified balance sheet, income statement and cash flows statement with the mandatory templates is provided, within the "Annual Report", in the respective Directors' Reports in the sections "Reconciliation of reclassified statement of financial position, income statement and statement of cash flows with the mandatory templates".

SAIPEM SpA

RECLASSIFIED BALANCE SHEET

	(million euro)	
	31 December 2019	31 December 2020
Net tangible assets	378	337
Right-of-Use assets	102	92
Intangible assets	29	33
Equity investments	2,501	2,422
Non-current assets	3,010	2,884
Net current assets	289	366
Employee benefits	(126)	(119)
EMPLOYED CAPITAL, NET	3,173	3,131
Equity	3,062	2,937
Net financial debt pre-IFRS 16 lease liabilities	5	98
Lease liabilities	106	96
Net debt	111	194
FUNDING	3,173	3,131

SAIPEM SpA

INCOME STATEMENT

(million euro)

	Year	
	2019	2020
Net sales from operations	2,718	2,354
Other revenue and income	86	120
Net reversals (impairment) of trade and other receivables	(6)	(17)
Purchases, services and other costs	(2,458)	(1,963)
Payroll and related costs	(480)	(486)
Gross Operating Profit/(Loss)	(140)	8
Depreciation, amortisation and impairment	(98)	(113)
Operating Profit/(Loss)	(238)	(105)
Net financial income (expense)	3	6
Income (loss) from investments	126	(59)
Profit (loss) before tax	(109)	(158)
Income taxes	24	(13)
Net Profit (Loss)	(85)	(171)

SAIPEM SpA

RECLASSIFIED CASH FLOWS STATEMENT

(million euro)

	Year	
	2019	2020
Net profit (loss) for the period	(85)	(171)
<i>adjustments:</i>		
Depreciation, amortization and other non-monetary items	(49)	233
(Capital gains) losses on disposal of assets	(1)	(1)
Dividends, interest and income taxes	(45)	(48)
Changes in working capital related to operations	36	(29)
Dividends received, income taxes paid, interest paid and received	11	50
Net cash flow from operations	(133)	34
Capital expenditure	(70)	(40)
Investments in equity, consolidated subsidiaries and business units	(280)	-
Disposals	110	4
Free cash flow	(373)	(2)
Buy-back of treasury shares/Exercise of stock options	-	(17)
Cash flows from own funds	-	(10)
Repayment of lease liabilities	(36)	(41)
Exchange differences on net debt and other changes	3	(24)
Change in net debt before lease liabilities	(406)	(94)
Change in lease liabilities	(106)	11
Change in net debt	(512)	(83)
Net debt at beginning of period	(401)	111
Net debt at end of period	111	194

SAIPEM GROUP

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(million euro)

	31 December 2019	31 December 2020
Net tangible assets	4,129	3,284
Right-of-Use assets	584	288
Intangible assets	<u>698</u>	<u>701</u>
	5,411	4,273
Equity investments	106	140
Non-current assets	5,517	4,413
Net current assets	(64)	(2)
Employee benefits	(246)	(237)
Assets available for disposal	-	-
EMPLOYED CAPITAL, NET	5,207	4,174
Equity	4,032	2,923
Non-controlling interests	93	25
Net financial debt pre-IFRS 16 lease liabilities	472	872
Lease liabilities	610	354
Net debt	1,082	1,226
FUNDING	5,207	4,174
Leverage pre IFRS16 (net debt/shareholders' equity including minority interest)	0.11	0.30
Leverage post IFRS16 (net debt/shareholders' equity including minority interest)	0.26	0.42
SHARES ISSUED AND OUTSTANDING	1,010,977,439	1,010,977,439

SAIPEM GROUP
CONSOLIDATED INCOME STATEMENT RECLASSIFIED BY NATURE OF EXPENSES

(million euro)

	Year	
	2019	2020
Net sales from operations	9,099	7,342
Other revenue and income	11	12
Purchases, services and other costs	(6,232)	(5,294)
Net reversals (impairments) of trade and other receivables	(62)	(7)
Payroll and related costs	(1,670)	(1,625)
GROSS OPERATING PROFIT (LOSS)	1,146	428
Depreciation, amortisation and impairment	(690)	(1,273)
OPERATING PROFIT (LOSS)	456	(845)
Financial income (expense)	(210)	(166)
Income (loss) from investments	(18)	37
PROFIT (LOSS) BEFORE TAXES	228	(974)
Income taxes	(130)	(143)
PROFIT (LOSS) BEFORE NON-CONTROLLING INTERESTS	98	(1,117)
Net profit (loss) attributable to non-controlling interests	(86)	(19)
NET PROFIT (LOSS)	12	(1,136)
CASH FLOW (net result + depreciation and amortization)	702	137

SAIPEM GROUP

RECLASSIFIED CASH FLOW STATEMENT

(million euro)

	Year	
	2019	2020
Net profit (loss) for the period	12	(1,136)
Non-controlling interests	86	19
<i>Adjustments:</i>		
Depreciation, amortization and other non-monetary items	721	1,308
Changes in working capital related to operations	438	(68)
Net cash flow from operations	1,257	123
Capital expenditure	(336)	(322)
Investments in equity, consolidated subsidiaries and business units	(45)	(4)
Disposals	11	16
Free cash flow	887	(187)
Buy-back of treasury shares/Exercise of stock options	-	(16)
Cash flows from own funds	(77)	(69)
Repayment of lease liabilities	(127)	(126)
Exchange differences on net borrowings and other changes	4	(2)
Change in net debt before lease liabilities	687	(400)
Change in lease liabilities	(610)	256
Change in net debt	77	(144)
Net debt at beginning of period	1,159	1,082
Net debt at end of period	1,082	1,226