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The Italian text prevails over the English translation

SAIPEM S.p.A.

Extraordinary Shareholders' Meeting
held on May 17, 2022

BOARD OF DIRECTORS' EXPLANATORY REPORT
ON THE ONLY ITEM OF THE AGENDA OF THE
EXTRAORDINARY SHAREHOLDERS' MEETING

(pursuant to art. 125-ter of Legislative Decree no. 58 dated February 24, 1998 art. 74 of the Regulations adopted with Consob resolution no. 11971 of May 14, 1999)

SINGLE ITEM ON THE AGENDA OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

Provisions pursuant to art. 2446 of the Italian Civil Code for the recapitalization of the Company: (i) proposal to reduce the share capital due to the losses resulting from the Company's balance sheet as at December 31, 2021; (ii) proposal pursuant to art. 2443 of the Italian Civil Code to grant the Board of Directors the power to increase the share capital to be offered in option to shareholders against payment of €2 billion, to be carried out by March 31, 2023 in indivisible form, through the issue of ordinary shares and the associated reverse stock split transaction functional to the capital increase; consequent amendment of art. 5 of the Articles of Association.

Messrs Shareholders,

this report (the "**Report**") is drawn up pursuant to art. 2446 of the Italian Civil Code and article 74, first paragraph, of the Regulation adopted with CONSOB resolution no. 11971 of May 14, 1999, as amended ("**Issuers Regulation**"), in accordance with the indications contained in Annex 3A to the Issuers' Regulation.

This Report aims to illustrate: (i) the equity, economic and financial situation of Saipem S.p.A. (the "**Company**" or "**Saipem**") at December 31, 2021 coinciding with the draft financial statements at December 31, 2021 approved by the Board of Directors on March 24, 2022 (the "**Balance Sheet**") and (ii) following the losses which caused the share capital to decrease by more than one third, granting the Board of Directors the power, pursuant to art. 2443 of the Italian Civil Code, to increase the share capital pursuant to art. 2441, first paragraph of the Italian Civil Code, and to carry out the associated reverse stock split functional to the capital increase.

The Report, together with the observations of the Board of Statutory Auditors pursuant to art. 2446 of the Italian Civil Code, shall be sent to CONSOB and made available to the public at the Company's registered office, on its website (www.saipem.com), as well as at Borsa Italiana S.p.A. under the terms of the law.

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SUMMARY

1. Foreword

In January 2022, in anticipation of the drafting of the full year results, Saipem management initiated a backlog review of engineering and construction projects awarded in previous years, following the criticalities that emerged after October 28, 2021, and in particular between November and December 2021, which highlighted increased risks on some specific offshore wind and onshore E&C contracts.

On January 31, 2022, Saipem informed the market that the backlog review initiated by the management indicated 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 raw materials and logistics costs and this would have an impact, in application of the international accounting standards, on Saipem consolidated financial results.

Preliminary estimates arising from the then ongoing preparation of the 2021 consolidated preliminary results showed, when compared to the outlook communicated to the market on October 28, 2021, a consolidated adjusted EBITDA for the second half of 2021 down by approximately €1 billion compared to the positive outlook for the 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 was, 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 were combined with revised estimates of execution times and costs.

As a result of the above, the Board of Directors informed that Saipem's statutory financial statements at December 31, 2021 were expected to close with losses in excess of one-third of the Company’s equity, triggering the application of Article 2446 of the Italian Civil Code. This occurrence, following the expiry of the contractual terms (where applicable), and in the absence of a specific waiver from the banks, may have given rise to the right of the banks to accelerate the repayment of certain outstanding loans to the Saipem Group.

At the emergence of this scenario, Saipem promptly initiated preliminary discussions with both (i) the banking counterparties to pre-empt the potential consequences on the loan agreements resulting from an occurrence of events referred to in Article 2446 of the Italian Civil Code, and (ii) the shareholders exercising joint control over the Company, ENI S.p.A. (“**ENI**”) and CDP Industria S.p.A. (“**CDP Industria**” and, together with ENI, the “**Significant Shareholders**”) - in order to ascertain also their willingness to support an appropriate and timely financing package to strengthen Saipem financial and capital structure.

As a result of the above, Saipem Board of Directors resolved to withdraw the outlook announced on October 28, 2021.

On February 4, 2022, the Board of Directors approved the new organizational structure of the Company to reinforce the execution capabilities for the Company projects and to complete the on-going strategic review aimed at strengthening the capital and financial structure of the Group.

The new organisation envisages the following:

- the set-up of a new General Manager function with broad operative and managerial responsibilities.

- the creation of a specific unit focused on reinforcing the activity of financial planning and control of the projects and of the other company's operations.
- the consolidation of the legal and contract management responsibilities in a corporate department within the new General Manager office.

Subsequently, on February 15, 2022, the Company informed that the updated Strategic Plan 2022-2025, presented on October 28, 2021, would be submitted for approval to the Board at the meeting of March 15, 2022, when the Board would be called to approve the consolidated financial statements at December 31, 2021 and the statutory financial statements at December 31, 2021 and the financing package.

On February 24, 2022, Saipem announced the completion, before the approval of the preliminary 2021 adjusted consolidated financial statements, of the backlog review initiated by management in January 2022 with no further impact with respect to the announcement on January 31, 2022. Specifically, the review covered approximately 80% of the value of the overall consolidated backlog at September 30, 2021, and approximately 88% of the consolidated backlog of the E&C segments at the same date, represented by 22 projects.

Still on February 24, 2022, Saipem announced the preliminary 2021 adjusted consolidated operating figures approved by the Board of Directors on February 23, 2022, as follows:

(i) adjusted consolidated revenues of €6,875 million, down 6.4% compared to 2020 (equal to €7.342 million), of which € 1,811 million in the fourth quarter 2021;

(ii) adjusted consolidated EBITDA at December 31, 2021 negative €1,192 million and negative €901 million in the fourth quarter 2021, in relation to increased difficulties on a few offshore wind and onshore E&C projects which emerged following the backlog review. The result of the backlog review on E&C projects weighed on the fourth quarter and the year by €1,020 million. This resulted in a large portion of the increase in costs and the reduction in overall revenues expected in future years on the aforementioned orders, until their completion being accounted in the fourth quarter of 2021;

(iii) adjusted consolidated operating income (EBIT) at December 31, 2021 negative €1,713 million;

(iv) net debt including IFRS-16 lease liability at December 31, 2021 of €1,541 million (€1,226 million at December 31, 2020), an improvement on the third quarter 2021 (€1,673 million); liquidity was equal to €2,3 billion, of which approximately €0,7 billion was available and the remainder was allocated mainly to joint venture projects;

(v) acquisition of new orders in 2021 equal to €7,208 million (€8,659 million in 2020);

(vi) backlog equal to €22,733 million (€24,682 million including the backlog of non-consolidated companies, as it is compared to €25,296 million at December 31, 2020).

During the same meeting, the Board of Directors also approved the guidelines for the update of the 2022-2025 strategic plan (the "**Strategic Plan**") launched following the backlog review.

As approved by the Board of Directors on February 24, 2022, the Strategic Plan is based, in its entirety, on the dynamics of Saipem's target markets presented in October 2021 and, specifically, on growth trends in the offshore E&C and offshore drilling businesses. In particular, the following guidelines form the basis of the Strategic Plan, centred on a more balanced risk/return profile and a path of progressive deleveraging:

- reduction of structural costs, with a target increase for 2022 to over €150 million;
- increased focus on the acquisition of offshore operations, both E&C and drilling, marked by a higher profitability thanks to Saipem's consolidated competitive position;
- increased selectivity in the acquisition of onshore E&C business, prioritising higher-tech projects in the LNG and gas valorisation 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;
- Saipem's industrial focus reaffirmed on energy transition and circular economy, also through the development of modular and industrialised solutions, in particular on CCUS value chain, plastic recycling technologies and subsea robotics;
- active management of the asset portfolio, to support cash flow generation over the Strategic Plan horizon.

On March 9, 2022, the Company sent the Significant Shareholders a request to assume some financial commitments as part of the process aimed at defining the Financing Package (as defined below).

Subsequently, on March 11, 2022, with regard to the updated Strategic Plan and the definition of the associated financial and capital Financing Package, the Significant Shareholders notified Saipem that their preliminary activities were in the process of being finalized and submitted to their respective Board of Directors at meetings to be held by March 23, 2022.

Therefore, to enable the Significant Shareholders to complete their decision-making process, on the same day the Company announced that Saipem Board of Directors' meeting - originally scheduled to take place on March 15, 2022, to approve the Strategic Plan, the associated financial and capital Financing Package, as well as the consolidated financial statements and the draft statutory financial statements at December 31, 2021 - would be postponed to March 24, 2022.

Finally, on March 24, 2022, Saipem's Board of Directors resolved:

(i) the updating of the Strategic Plan, including, among other things, the contribution of new capital to strengthen the Group's equity and financial structure;

(ii) the approval of the draft consolidated financial statements at December 31, 2021, confirming the preliminary 2021 adjusted consolidated operating figures as communicated to the market on February 24, 2022;

(iii) the approval of the draft statutory financial statements at December 31, 2021 (the "**Draft Financial Statements**"), which highlighted an operating loss at December 31, 2021 of €2,382,569,149.09 (loss of €171 million at December 31, 2020). Net of available reserves of €661,643,754.60, the capital erosion at December 31, 2021 was equal to €1,720,925,394.49. This amount exceeds the share capital of €2,191,384,692.79 by more than one third, triggering the application of the conditions provided for by art. 2446 of the Italian Civil Code;

(iv) to call the Shareholders' Meeting to resolve the reduction of the share capital due to losses pursuant to art. 2446 of the Italian Civil Code and approve the proposal to grant 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 of €2 billion, to be carried out by March 31, 2023, in indivisible form, through the issue of ordinary shares and the associated reverse stock split functional to the share capital increase with consequent amendment of art. 5 of the Articles of Association.

Hereafter are the main financial figures from Saipem Consolidated Financial Statements at December 31, 2021.

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.

In 2021, the revenues amounted to €6,875 million (€7,342 million in 2020), and the adjusted EBITDA was negative for €1,192 million (positive for €614 million in 2020). The worsening was mainly recorded in the Engineering & Construction sector as a result of the backlog review (as described above).

The revenues included initial agreed contract price and additional remunerations related to change orders on project scope of work and requested claims. Change orders consisted of additional revenues deriving from project contractual works deviations required by the client; claims concerned additional revenues related to additional costs incurred due to reasons attributed to the client.

Change orders and claims were included in the amount of revenues when they present a high probability of recognition in the object and/or in the price, even though these have not yet been agreed upon with the 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, was equal to €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) due to the already illustrated negative change in the adjusted operating result of €1,736 million and the effect of the financial management, taxation and 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 assets, 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 updated Strategic Plan approved by the Board of Directors on March 24, 2022 (please refer to paragraphs 4 and 6) lays the foundations for the approval, on the same day, of the financing package to strengthen Saipem's financial and capital structure (“**Financing Package**”).

The goals of the financing package are:

- re-establishing the levels of equity in line with the company's size;
- reducing the Company's level of indebtedness;
- re-establishing adequate cash levels over the Strategic Plan timeframe;
- stabilizing Saipem's credit rating with a view to ensuring access to debt capital markets to refinance outstanding bonds.

The Financing Package is thus structured:

- capital increase of €2 billion, which is expected to be implemented by the end of 2022;
- a new Revolving Credit Facility (RCF) of up to €1 billion, which will be arranged by the start of the capital increase and with regards to which certain banks participating in the Financing Package – namely, Banco BPM S.p.A., BNP Paribas, Deutsche Bank S.p.A., HSBC Continental Europe, Illimity Bank S.p.A., Intesa Sanpaolo S.p.A. and UniCredit S.p.A. (the “**New RCF Banks**”) **-** have confirmed that they have preliminarily approved their participation for total of approximately €450 million (“**New RCF**”);
- bonding lines for a total of approximately €2 billion in 2022, of which around €1.35 billion is to be made available to the Company on a best effort and bilateral basis from banks participating in the Financing Package and further financing institutions.

To support the Company's short-term financial needs until the capital increase is completed (as described above), the Financing Package provides for an immediate liquidity intervention, for a total amount of €1.5 billion, structured as follows:

(i) an amount of € 646 million, by March 31, 2022, by way of "Payment on Account of Future Capital Increase" (as described above) by Significant Shareholders; and

(ii) for the residual amount through financial support from leading Italian and international banks.

On March 24, 2022, a mandate letter (“**Mandate Letter**”) was signed with Banco BPM S.p.A., BNP Paribas, Citibank, N.A., London Branch, Deutsche Bank S.p.A., HSBC Continental Europe, Milan Branch, Illimity Bank S.p.A., Intesa Sanpaolo S.p.A. and UniCredit S.p.A. (“**Financing Banks**”), providing, among other things:

a) a liquidity facility in favour of the Company for an amount equal to €855 million, in two tranches named A (up to a maximum of €680 million) and B (up to a maximum of €175 million), 100% secured by a parent company guarantee issued by the shareholder ENI (the "**Liquidity Facility**") expiring on March 31, 2023, to be used to allow the Company to cover personnel costs, capital expenditure (except for company acquisition, the buy-back of treasury shares and the refinancing of outstanding financial debt) and to boost the working capital of production plants and business activities located in Italy, whose contract provides financial convenants according to which certain levels in terms of margins, gross debt and liquidity are to be respected;

b) a loan facility in favour of the Company for an amount equal to €851,600,000 – which will replace the Liquidity Facility - secured by:
   - a "Garanzia Italia" to be issued by SACE S.p.A. ("**SACE**");
   - by a parent company guarantee to be issued by Eni for an amount equal to 18%; and
   - by upstream guarantees to be issued by Saipem Group companies, in line with the guarantee structure of the Company's current medium/long-term debt governed by contracts under English law, with the exception of the Saudi Arabian companies Snamprogetti Saudi Arabia Co Ltd and Saudi Arabia Saipem Ltd and the Nigerian company Saipem Contracting Nigeria Ltd,

   (the "**SACE Facility**" and, together with the Liquidity Facility, the "**Guaranteed Loans**") expiring on March 31, 2023, to be used, in accordance with the applicable regulatory framework for the intervention of SACE in accordance with "Garanzia Italia", for the purpose, inter alia, of: (i) refinancing the amounts drawn by the Company under tranche A and the above mentioned Liquidity Facility; and (ii) cover personnel costs, capital expenditure (except for company acquisition) or boost the working capital of production plants and business activities located in Italy; and

c) terms and conditions for the participation, by certain Financing Banks involved in the Financing Package, to the New RCF, which is expected to last 36 months; in particular, the Mandate Letter provides that: (i) Saipem will initiate a process aimed at involving, in the negotiation of the New RCF, banks and financial institutions other than the Financing Banks that are parties to the Financing Package; (ii) the clauses relating to general commitments, disclosure commitments, declarations and guarantees and significant events referred to in the New RCF are substantially in line with the provisions of the Liquidity Facility; (iii) the positive outcome of the Capital Increase (as defined below) constitutes a condition precedent to the first use of the New RCF.

In the context of the Capital Increase (as described above) BNP PARIBAS, Citigroup Global Markets Limited, Deutsche Bank, HSBC, Intesa Sanpaolo | IMI Corporate & Investment Banking and UniCredit Bank AG, Milan Branch will act as Joint Global Coordinator and Joint Bookrunner on the basis of a pre-underwriting agreement concerning the commitment (at conditions in line with market practice for similar transactions) to enter into an underwriting agreement with the

Company in proximity to the launch of the rights offering for the subscription of the ordinary shares that may remain unsubscribed at the end of the offer on the stock exchange of the unexercised rights for an overall amount of approximately €1,138 million. The company has also identified Banca Akros S.p.A. to act as joint bookrunner.

Also on March 24, 2022, the Significant Shareholders took on the following significant commitments (the "**Shareholders' Commitments**"):

(i) an irrevocable commitment to subscribe all the newly issued Saipem ordinary shares deriving from the Capital Increase in proportion to the Saipem shares currently held respectively by ENI and CDP Industria and therefore, in the case of ENI, an amount of €611 million (“**ENI's Share of the Capital Increase**”) and, in the case of CDP Industria, of € 251 million (“**CDP's Share of the Capital Increase**”);

(ii) an irrevocable commitment to carry out an anticipatory intervention through the disbursement in favour of the Company of a payment for a future capital increase of €646 million, to be divided among the Shareholders in proportion to the Saipem shares they currently hold and, therefore, €458 million for ENI (so-called "**ENI’s share of the future Capital Increase**") and €188 million for CDP (so-called "**CDP’s share of the future Capital Increase** ") (the "**Payment**"), which shall be used to subscribe their respective shares of the Capital Increase,

(iii) an irrevocable commitment by ENI to convert ENI’s share of the future Capital Increase into a non-repeatable "targeted" equity reserve in favour of ENI (the "**ENI’s Targeted Reserve**") which could be used to cover losses only after having used any other outstanding reserves that can be used for this purpose, without prejudice to Saipem's commitment to use ENI’s Targeted Reserve for the implementation of the Capital Increase: as well as

(iv) a commitment by ENI to provide a specific autonomous first demand guarantee in favour of the lending banks for a maximum guaranteed amount of €898 million to guarantee the correct fulfilment by Saipem of all payment obligations related to the Liquidity Facility (the "**Corporate Guarantee**").

On March 30, 2022, and March 31, 2022, the Significant Shareholders followed up on their respective Shareholders' Commitments, carrying out the Payment, following the approval by their respective Boards of Directors.

On March 31, 2022, the loan agreement relating to the Liquidity Facility was signed and, as the condition precedents to the first use of the same occurred, including the conversion of ENI’s share of the future Capital Increase into ENI’s Targeted Reserve, on April 4, 2022, the entire tranche A of the loan was disbursed to the Company, for an amount equal to €680 million.

On April 20, 2022, the Board of Directors approved the results at March 31, 2022.

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Based on the above, the Board of Directors intends to submit to the Shareholders' Meeting the following measures, which can be summed up as follows:

- a proposal to reduce the share capital of the Company from €2,191,384,692.79 to €460,208,914.80, by cancelling a total of 798,663,813 ordinary shares, without par value, (798,663,772 shares as a consequence of the reverse stock split of ordinary shares and 41 shares as a consequence of the cancellation of treasury shares held by the Company), and subsequent amendment of art. 5 of the Articles of Association;

- a proposal to grant the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, the power, to be used by March 31, 2023 (the “**Authorisation**”) to increase, in indivisible form, the share capital against payment of € 2 billion (possibly rounded down if required depending on the offer price and the number of shares involved), including any share premium, through the issue of ordinary shares, without par value to be offered in option to ordinary and savings shareholders pursuant to art. 2441, paragraph 1, of the Italian Civil Code, and the associated reverse stock operation of ordinary and savings shares in the same ratio, to be defined by the Board of Directors within the limit of one new ordinary share every maximum 20 ordinary shares held and a new savings share every maximum 20 savings shares held, subject to the cancellation of the maximum number of ordinary and savings shares necessary to balance the transaction without changes to the share capital (“**Capital Increase**”).

2. Saipem balance sheet, income statement and net financial debt

Please refer to the Balance Sheet at December 31, 2021, coinciding with the financial statements at December 31, 2021, posted on Saipem’s website.

Please also refer to Saipem press release dated April 21, 2022, detailing financial results at March 31, 2022, also posted on Saipem’s website.

3. Saipem net financial position

The following table details Saipem’s net financial position at December 31, 2021.

Draft Statutory Financial Statements of SAIPEM S.p.A.

(€ thousands)	31.12.2020 Current	31.12.2020 Non-current	31.12.2020 Total	31.12.2021 Current	31.12.2021 Non-current	31.12.2021 Total
A. Cash and cash equivalents	1,312,051	-	1,312,051	888,924	-	888,924
B. Cash and cash equivalents	-	-	-	-	-	-
C. Other current financial assets:	653,423	-	653,423	266,767	-	266,767
- Financial assets measured at fair value through OCI	-	-	-	-	-	-
- Loan assets	653,423	-	653,423	266,767	-	266,767
D. Liquidity (A+B+C)	1,965,474	-	1,965,474	1,155,691	-	1,155,691
E. Current financial debt:	1,857,270	-	1,857,270	1,448,093	-	1,448,093
- Current bank loans and borrowings	135,939	-	135,939	226,416	-	226,416
- Current financial liabilities - related parties	1,689,560	-	1,689,560	1,182,481	-	1,182,481
- Other current financial liabilities	-	-	-	-	-	-
- Lease liabilities	31,771	-	31,771	39,196	-	39,196
F. Current portion of the non-current financial debt:	62,679	-	62,679	62,616	-	62,616
- Non-current bank loans and borrowings	62,679	-	62,679	62,616	-	62,616
- Ordinary bonds	-	-	-	-	-	-
G. Current financial debt (E+F)	1,919,949	-	1,919,949	1,510,709	-	1,510,709
H. Net current financial debt (G-D)	(45,525)	-	(45,525)	355,018	-	355,018
I. Non-current financial debt:	-	239,257	239,257	-	157,410	157,410
- Non-current bank loans and borrowings	-	175,391	175,391	-	112,603	112,603
- Non-current financial liabilities related parties	-	-	-	-	-	-
- Lease liabilities	-	63,866	63,866	-	44,807	44,807
J. Debt instruments:	-	-	-	-	-	-
- Ordinary bonds	-	-	-	-	-	-
K. Trade payables and other non-current debts	-	-	-	-	-	-
L. Non-current financial debt (I+J+K)	-	239,257	239,257	-	157,410	157,410
M. Total financial debt as per Consob document No. 5/21 of April 29, 2021 (H+L)	(45,525)	239,257	193,732	355,018	157,410	512,428

Consolidated Financial Statements of SAIPEM S.p.A.

	31.12.2020			31.12.2021		
(€ million)	Current	Non-current	Total	Current	Non-current	Total
A. Cash and cash equivalents	1,687	-	1,687	1,632	-	1,632
B. Cash and cash equivalents	-	-	-	-	-	-
C. Other current financial assets:						
- Financial assets measured at fair value through OCI	68	-	68	59	-	59
- Loan assets	342	-	342	566	-	566
D. Liquidity (A+B+C)	2,097	-	2,097	2,257	-	2,257
E. Current financial debt:	408	-	408	559	-	559
- Current bank loans and borrowings	220	-	220	367	-	367
- Current financial liabilities - related parties	1	-	1	18	-	18
- Other current financial liabilities	36	-	36	27	-	27
- Lease liabilities	151	-	151	147	-	147
F. Current portion of the non-current financial debt:	201	-	201	697	-	697
- Non-current bank loans and borrowings	167	-	167	151	-	151
- Ordinary bonds	34	-	34	546	-	546
G. Current financial debt (E+F)	609	-	609	1,256	-	1,256
H. Net current financial debt (G-D)	(1,488)	-	(1,488)	(1,001)	-	(1,001)
I. Non-current financial debt:	-	854	854	-	686	686
- Non-current bank loans and borrowings	-	584	584	-	439	439
- Non-current financial liabilities related parties	-	-	-			
- Lease liabilities	-	270	270	-	247	247
J. Debt instruments:	-	1,993	1,993	-	1,993	1,993
- Ordinary bonds	-	1,993	1,993	-	1,993	1,993
K. Trade payables and other non-current debts	-	-	-	-	-	-
L. Non-current financial debt (I+J+K)	-	2,847	2,847	-	2,679	2,679
M. Total financial debt as per Consob document No. 5/21 of April 29, 2021 (H+L)	(1,488)	2,847	1,359	(1,001)	2,679	1,678

Reconciliation of net financial debt

	31.12.2020			31.12.2021		
(€ million)	Current	Non-current	Total	Current	Non-current	Total
M. Total financial debt as per Consob document No. 5/21 of April 29, 2021 (H+L)	(1,488)	2,847	1,359	(1,001)	2,679	1,678
N. Non-current loan assets	-	66	66	-	61	61
O. Lease assets	16	51	67	30	46	76
P. Net financial debt (M-N-O)	(1,504)	2,730	1,226	(1,031)	2,572	1,541

Items of the Company's net financial position are analysed in detail in the explanatory notes of the Balance Sheet at December 31, 2021, coinciding with the financial statements at December 31, 2021, and are available on Saipem's website.

4. Foreseeable evolution of operations

As stated above, on March 24, 2022, Saipem's Board of Directors approved the updated Strategic Plan and the Financing Package to strengthen Saipem's financial and capital structure.

The Financing Package provides, inter alia, for a capital increase, which is expected to be implemented by the end of 2022.

The Significant Shareholders are committed to underwrite a total of approximately 43% of the Capital Increase, in proportion to their respective holdings in the Company's share capital; the remaining part of around 57% is covered by a pre-underwriting agreement with primary Italian and international banks.

The Company has signed agreements to meet its short-term liquidity needs for approximately €1.5 billion, of which around €645 million provided by the Significant Shareholders by way of payments on account of the future capital increase, and for €855 million in financing by a pool of banks.

From an operative and financial standpoint, the Strategic Plan is based on the following key elements:

- a development path driven in particular by the offshore E&C and offshore drilling segments, with 2021-25 CAGR of Group revenues expected at around 15%;
- an accelerated efficiency plan with reduction of structural costs of more than €150 million in 2022 and a run-rate of more than €300 million in 2024;
- 2022 adjusted EBITDA is expected at over €500 million, and double-digit margin on revenues from 2024; furthermore, 2025 adjusted EBITDA expected at over €1 billion;
- a free cash flow absorption of around €1 billion in 2022 and a return to cash generation between 2023 and 2024, with free cash flow expected to be around €700 million in 2025. The free cash flow envisaged in the Strategic Plan is subject to the results of the backlog review of approximately €1 billion over the four years, of which approximately €500 million in 2022;
- capital expenditure of an average of €300 million annually;
- a net financial position (post-IFRS 16) - after the planned Capital Increase - of approximately €800 million at the end of 2022, with a 2025 target close to zero;
- identified actions additional to the Strategic Plan, which may bring potential additional liquidity for more than €1.5 billion also through the valorisation of the Onshore Drilling business, on account of an exclusive negotiation with a leading international operator.

The implementation of the Strategic Plan is based on the new organization structured on business lines rather than on divisions, 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 Strategic Plan, which forms the basis of the Financing Package, allows for the pursue of a more balanced risk/return profile and a path of progressive deleveraging.

The Financing Package is illustrated in more detail in Paragraph 6.

5. Proposals of measures to cover the losses, and proposed Capital Increase

5.1. Measures to cover the losses

, the Board of Directors acknowledges that Saipem's balance sheet at December 31, 2021 shows losses of € 2,382,569,149.09, against the Company's fully subscribed and paid-up share capital of € 2,191,384,692.79, and, considering that the share capital decreased by more than one third as a result of the aforementioned losses the situation envisaged by art. 2446 of the Civil Code is applicable to the Company. The Board of Directors therefore submits to the Extraordinary Shareholders' Meeting the proposal to cover the losses of €2,382,569,149.09 utilising available reserves of €661,643,754.60 as listed below.

Share premium reserve	553,425,162.03
Legal reserve	88,282,180.00
Revaluation reserve	2,285,980.78
Fair value reserve (equity instruments)	570,139.41
Reserve grants / or not repayable contribution reserve	3,633,601.91
Reserve for the issue of shares pursuant to art. 2349 of the Italian Civil Code	56,400.00
Reserve pursuant to art. 13, Legislative Decree No. 124/1993	43,650.00
Reserve for the application of IFRS standards	465,087.17
Reserve for equity investments	3,703,422.00
Long-term incentive plans fair value reserve	1,899,632,02
Retained earnings	7,278,499.28
Total available reserves	**661,643,754.60**

The use of available reserves of € 661,643,754.60 means that the remaining losses to be covered amount to €1,720,925,394.49.

To maintain the same implicit accounting parity of the ordinary and savings shares (taking into account that savings shares are deferred in the losses pursuant to art. 6 of the Articles of Association), the reduction in the share capital requires the reverse stock split only of ordinary shares in the ratio of 21 new ordinary shares for every 100 outstanding ordinary shares, after the cancellation of 41 treasury shares held by the Company. In the same context and, for mere accounting purposes, profits are carried forward of €10,250,383.50.

Against the reduction of the share capital it is therefore proposed to reduce the number of ordinary shares by a total of 798,663,813 shares (of which 798,663,772 shares as a consequence of the reverse stock split of ordinary shares and 41 shares as a consequence of the cancellation of treasury shares held by the Company) without par value, thereby maintaining the same implicit accounting parity of ordinary and savings shares.

In order to facilitate the management of the remaining shares resulting from the cancellation of ordinary shares, the Company is expected to appoint, where necessary, an authorised intermediary, all in compliance with current legislation.

The subscribed and paid-up share capital would therefore be equal to €460,208,914.80, divided into 212,303,028 ordinary shares and 10,598 savings shares, all without par value, which is higher than the legal limit set for joint-stock companies by art. 2327 of the Civil Code.

The Board of Directors, in line with the measures referred to in art. 2446 of the Italian Civil Code as well as the implementation of the Strategic Plan, proposes that the recapitalization of the Company be implemented through a Capital Increase.

5.2. Share capital increase and reverse stock split

5.2.1. *Reasons for the Share Capital Increase*

The proposed Capital Increase subject of this report is part of the broader operation, which, after covering the losses, following the approval of the measures referred to in art. 2446 of the Civil Code and the consequent reduction of the share capital, is aimed at rebalancing the Company's finances and strengthening the capital structure of the Company and the Group in order to have additional financial means to cover the capital and financial needs connected to the full implementation of the Plan Strategic.

In particular, the Capital Increase will enable, in the broadest context and with the implementation of the overall Financing Package, the pursuit of the objectives of the Strategic Plan.

5.2.2 *Characteristics and reasons for the authorisation*

The proposal concerns granting the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, the power, to be exercised by March 31, 2023, to increase, in indivisible form, the share capital against payment of a maximum of €2 billion (possibly rounded down if required depending on the offer price and the number of shares involved), including any share premium, through the issue of ordinary shares, without a par value to be offered in option to ordinary and savings shareholders pursuant to art. 2441, paragraph 1, of the Italian Civil Code, proportionally to the number of shares they hold.

The newly issued shares shall have regular dividend rights and their holders shall have the same rights as those held by outstanding shareholders on the date of their issue.

The reason to include the Authorisation in Saipem's Articles of Association is so as to ensure that the Board of Directors has the necessary flexibility in carrying out the Capital Increase to grasp, in the suitable timeframe, the most favourable conditions for the operation and also to set the terms and conditions of the operation consistent with the market situation close to the execution of the Capital Increase. The need for flexibility is particularly relevant in view of the high degree of uncertainty and volatility that characterises the financial markets in the current macroeconomic context.

The Authorisation shall grant the Board of Directors the power to set forth all methods, terms and conditions of the Capital Increase, in compliance with the limitation indicated by the Shareholders' Meeting resolution, including as an indication only and not limited by it, the power to set the number and issue price of shares to be issued (including any share premium) as well as the option ratio.

5.2.3. *Financial effects of the Capital Increase*

Please refer to Paragraph 3 with reference to the breakdown of the short and medium/long-term consolidated net financial debt at December 31, 2021.

5.2.4. *Underwriting syndicate*

On March 24, 2022, the Board of Directors approved a pre-underwriting agreement signed by BNP PARIBAS, Citigroup Global Markets Limited, Deutsche Bank AG, HSBC, Intesa Sanpaolo | IMI Corporate & Investment Banking and UniCredit Bank AG, Milan Branch (as Joint Global Coordinators and Joint Bookrunner, jointly the "Guarantors"), relating to the Capital Increase concerning the commitment (under conditions in line with market practice for similar transactions) to enter into with the Company, near the launch of the share option offer, an underwriting agreement for the subscription of any ordinary shares that may remain unsubscribed following the offer on the stock exchange for a total amount of approximately €1,138 million.

Before the launch of the offer relating to the Capital Increase, additional financial institutions may be identified that will participate in the underwriting syndicate of the Capital Increase.

5.2.5. *Other forms of placement*

As this is an offer in option, the shares resulting from the Capital Increase will be offered to shareholders directly by the Company. There are no other forms of placement.

5.2.6. *Issue price of the newly issued shares*

The terms and conditions of the Capital Increase, including the exact number of shares to be issued, the option ratio and the issue price, will be defined by Saipem’s Board of Directors near the launch of the offer in option, taking into account, among other things, market conditions in general, the trend in prices and associated volumes of outstanding ordinary shares on the Stock Exchange, as well as the economic, capital and financial performance of the Company and/or the Group and associated prospects and considering market practice for similar transactions, being able to apply a discount on the theoretical ex-right price of Saipem shares (TERP - calculated according to current methodologies), as set by the Board of Directors before the start of the offer in option.

5.2.7. *Shareholders willing to subscribe, in proportion to the share held, the newly issued shares, as well as any unexercised option rights*

On the date of this Report, the shareholders ENI and CDP Industria have sent the Company separate letters taking on the Shareholders' Commitments, including the commitment to subscribe their share of the proposed capital increase, amounting overall to approximately 43% of the ordinary share capital, net of treasury shares held by the Company.

The commitments undertaken by ENI and CDP Industria were subject to certain condition precedents having taken place by March 30, 2022, all of which have taken place as of the date of this Report, and in particular:

(a) (i) CDP Industria and ENI, respectively, assuming the Shareholders' Commitments envisaged as part of the Financing Package, in a manner deemed satisfactory for Saipem, and (ii) the banks assuming "pre-underwriting" commitments and committing to signthe Liquidity Facility Agreement;

(b) Saipem’s Board of Directors on March 24, 2022: (i) approving the draft statutory financial statements at 31.12.2021 prepared on the assumption of business continuity (see paragraph 6 of this Explanatory Report); (ii) convening Saipem’s Extraordinary

Shareholders' Meeting to take place no later than May 31, 2022 to approve the Capital Increase.

CDP Industria's commitment is also subject to, and therefore shall lapse (triggering the obligation to refund the Payment on Account of Future Capital Increase, it being understood that the credit by CDP Industria must not be considered before that brought by the Lending Banks as Liquidity Facility and SACE Facility), in the event of: (i) failure to fully subscribe the Capital Increase by the deadline of March 31, 2023; (ii) exercise by the Lending Banks of the right to obtain, for any reason, the early repayment of the amounts due pursuant to the Liquidity Facility Agreement (or the loan agreement relating to the SACE Facility that should refinance the outstanding amounts under the aforementioned Liquidity Facility Agreement).

5.2.8. *Expected period for the execution of the operation*

Subject to the issue of the necessary authorizations by the competent Authorities, it is expected that the offer period to the shareholders of the newly issued shares in option can be completed by the end of this year.

5.2.9. *Share entitlement*

The newly issued ordinary shares resulting from the Capital Increase shall have regular entitlement. The ordinary shares will grant their holders equal rights with respect to the outstanding ordinary shares of the Company in circulation on the date of their issue.

5.2.10. *Pro-forma economic and financial effects of the Capital Increase*

The Capital Increase shall result in an increase in the value of the Company's net assets for an amount equal, as it is indivisible, to €2 billion, also taking into account the underwriting commitments referred to in paragraphs 5.2.4 and 5.2.7 above, from which the direct costs of the operation will be deducted.

The capital raised will be utilised to pursue the objectives of the Strategic Plan. For this purpose, part of the capital will be used to pay off the debts owed to the banks.

On the date of this Report, the conditions of the option offer have not yet been determined, including the share subscription price, plus any share premium, and the number of shares to be issued as part of the Capital Increase. As mentioned in paragraph 5.2.6, these conditions will be set by the Board of Directors near the launch of the offer in option.

5.2.11. *Effects of the possible dilution on the unitary value of shares*

As this is a capital increase offered in option, there shall be no dilutive effects in terms of the shareholding in the overall share capital for the shareholders who decide to participate.

The Capital Increase in fact provides that each ordinary and savings shareholder of the Company has the option right.

Conversely, ordinary and savings shareholders who do not exercise their option right could experience, following the issue of the shares, a significant dilution of their shareholding due to the size of the offer compared to the capitalization and the discount on the theoretical ex right price (TERP) of the Saipem share which will be fixed near the launch of the offer.

5.2.12 *Characteristics and reasons for the reverse stock split*

As part of the Capital Increase operation, it is also proposed that the Board of Directors be granted the right to implement (i) the reverse stock split of ordinary shares and savings shares in the same ratio, to be defined by the Board of Directors, within the limit of one new ordinary share every maximum 20 ordinary outstanding shares and one new savings share every maximum 20 outstanding savings shares, subject to cancellation of the maximum number of ordinary and savings shares necessary to enable the overall balancing of the operation without changing the share capital, and (ii) the consequent amendment and update of article 6 of the Articles of Association to incorporate the recalculation, deriving from the reverse stock split, of the quantification of the privileges held by savings shares.

The reverse stock split is aimed at reducing the number of shares in circulation following the Share Capital Increase and simplifying its administration, while at the same time improving the share perception on the market, in consideration of the effects that the reverse stock split shall have on the unit market price. The reverse stock split does not influence the value of the investment held in the Company, because the reduction in the number of existing shares is offset by the simultaneous increase in the value of the shares, without impacting the overall value of the investment held, all other conditions being unchanged.

The cancellation of ordinary and savings shares may be necessary to enable the overall balancing of the operation, however, this shall not result in a reduction in the share capital, as these shares do not have a par value, and therefore the cancellation of the shares shall result in an increase in the implicit par value of the remaining existing shares.

To enable shareholders to hold a whole number of ordinary and/or savings shares, it is proposed that the Board of Directors be granted the power to provide shareholders - through intermediaries belonging to Monte Titoli S.p.A. – with a service for the purchase or sale of fractions of the new or excess shares necessary to reach a whole number of shares.

As the reverse stock split concerns both ordinary and savings shares, and in the same ratio to be set by the Board of Directors, the operation does not provide for the right to convert savings shares into ordinary shares, which was granted by the Extraordinary Shareholders' Meeting of December 16, 1998, at par with no time limit and free of charge.

With regard to existing incentive plans based on financial instruments approved by previous Saipem Shareholders' Meeting, the Board of Directors shall adjust the number of shares and the terms of the award, applying corrective coefficients to ensure the conditions are substantially unchanged from those at the time of the award. As of today, treasury shares held by the Company to service incentive plans are 21,379,496.

The reverse stock split is expected to be carried out in the same context as the Capital Increase and, in any case, by the deadline of March 31, 2023.

Further information on the reverse stock split will be provided when it is launched by the Board of Directors.

6. Initiatives that Saipem is planning to revive its operations and maintain business continuity

As anticipated in the Foreword, on March 24, 2022, the Board of Directors acknowledged the economic and financial situation of the Group, which, at December 31, 2021, showed losses of more than one third of the share capital, triggering the provisions of art. 2446 of the Italian Civil Code. On the same day, the Board of Directors approved the updated Strategic Plan and defined the capital and financial structure to support it.

Strategic Plan

The Strategic Plan is based, in its entirety, on the dynamics of Saipem's target markets presented in October 2021 and, specifically, on growth trends in the offshore E&C and offshore drilling businesses.

The expected higher growth target markets on which the Group will focus are:

- Offshore E&C, for which a 2021-25 CAGR of 8% is expected, driven by the recovery of both conventional and SURF sectors, particularly in the Middle East and Africa;
- Offshore drilling, with a 2021-25 CAGR of 16% expected on a global scale;
- Offshore wind, considered a sizeable market with strong growth potential at a 2021-25 CAGR of over 30%.

The Plan does not envisage the acquisition of new contracts in Russia, which, currently represents a limited portion of the existing backlog.

Furthermore, the current energy market scenario could encourage the development of new energy infrastructures for the diversification of energy supply in many countries.

The Strategic Plan lays the basis for the Financing Package to strengthen Saipem's financial and capital structure (as illustrated in the Foreword).

Business continuity

The occurrence of the conditions of art. 2446 of the Italian Civil Code 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 light of this uncertainty, it was deemed appropriate to ascertain whether, for the purposes of preparing the Company's financial statements, Saipem business continuity (going concern) at December 31, 2021 can be considered to have been achieved.

In particular, events and circumstances that may give rise to significant doubts on the ability of the Company to continue operating as a going concern for a period of at least twelve months from the closing of the financial statements at December 31, 2021 can be summed up as follows:

- strategic-operational uncertainties related to the current and prospective performance of Saipem's operations. These uncertainties led to the review the Group's strategic plan from the version approved in October 2021;
- financial uncertainties, mainly attributable to the significant losses that emerged during the fourth quarter of 2021, which led to the implementation of a financing package aimed

at strengthening the capital and financial structure of the Company (i.e. the Financing Package).

Despite these uncertainties, in light of the mitigating actions implemented and/or planned by the Company (illustrated below), Saipem Board of Directors maintained that the necessary elements exist to enable the preparation of the Annual Financial Report at December 31, 2021 on the business continuity basis, utilising the evaluation criteria of a going concern.

It should also be noted that, taking into account the documentation available on the date of the approval of the draft financial statements and the additional documents supporting the forecasts for the implementation of the mitigating actions, the Company believes that, also considering the latter, certain material uncertainties remain concerning the business continuity. Therefore, in light of the foregoing, in the context of the scenarios defined in the document "Going concern - a focus on disclosure" issued by the IASB in January 2021 with regard to ensuring business continuity, it seems reasonable to conclude that Saipem fits into the case referred to in Scenario 3.

As regards the scenarios defined by Consob in Document no. 2 issued on February 6, 2009, it seems reasonable to conclude that the Company falls under Scenario 2, specifically where the Directors have identified factors that may give rise to significant doubts on the Company's ability to continue its operations in the foreseeable future, but consider that it is in any case appropriate to prepare the financial statements on a going concern basis.

Strategic-operational uncertainties and mitigating actions

The mitigating actions implemented or planned by the Company to resolve strategic-operational uncertainties are:

- updating the Strategic Plan (including redefining the strategic and operational business lines) based on guidelines aimed at pursuing a more balanced risk-return profile and on a path to progressive deleveraging;
- analysis of the assumptions of the updated Strategic Plan by leading independent consultants through the drafting of an Independent Business Review (IBR) on the new plan;
- changes to the organizational structure of the Group, with the establishment of a new general management with extensive operational and managerial powers, the establishment of a unit aimed at strengthening the planning and financial control of contracts and other management activities and a concentration of legal and negotiation activities in a corporate function within the new general management.

Financial uncertainties and mitigating actions

The Company believes that the planned "mitigating actions" can overcome the capital and financial uncertainties identified at December 31, 2021 and specifically they can:

- increase Saipem's cash availability to adequate levels so that the Company can meet its financial commitments in 2022 and subsequent years;
- through the Capital Increase – by obtaining, in the short term, the Liquidity Facility and the support referred to in the Shareholders' Commitments for a total of €1.5 billion, as well as the availability of a pool of banks to organize and manage the syndication of the New RCF of €1 billion – strengthen the overall capital of Saipem and the entire Group, to restore a level of shareholders' equity of the Company and of the Group to ensure business continuity;

- obtain specific waivers on existing financial lines, where necessary;
- having access to performance bonds, bid bonds and AP bonds, with suitable methods and timeframes to support the Company's operations;
- repay the financial debts due in 2022 and refinance the bonds due in the following years on the capital markets;
- stabilize Saipem's credit rating in order to ensure that the Company has access to the capital markets.

In this context and perspective:

- on March 9, 2022, the Company sent the Significant Shareholders a request to take on certain commitments as part of the process aimed at defining the Financing Package;
- on March 24, 2022, the Significant Shareholders took on the Shareholders' Commitments and, on March 30, 2022, and March 31, 2022, carried out part of them, making the Payment provided in the Commitments, having obtained approval from their respective Board of Directors;
- on March 24, 2022, the Company entered into a specific Mandate Letter with the relevant Financing Banks, and in accordance with the terms of and in execution of which, on March 31, 2022, the Company signed the loan agreement relating to the Liquidity Facility;
- the condition precedents to the first utilization of the Liquidity Facility having materialised, including the conversion of ENI's share of the future Capital Increase into ENI's Targeted Reserve, on April 4, 2022, the entire tranche A of the associated loan was paid to the Company for an amount equal to €680,000,000.00; and
- in accordance with the terms and commitments set out in the Mandate Letter and the Liquidity Facility Agreement, the Company:
    - gave assurance to the Financing Banks that it had at its disposal, by the date of use of the Liquidity Facility, credit lines for an amount at least equal to €1,345 million (including best effort commitments from some of the Financing Banks to lend further amounts or release additional funds on existing lines or guarantees);
    - has continued and is conducting discussions with lending institutions, in addition to the Financing Banks, to gain access to credit lines for a total of €2 billion, to cover the 2022 requirements referred to in Financing Package; and
    - initiated a process to identify and potentially involve additional lenders with respect to the New RCF Banks, in order to structure and syndicate the New RCF. At the same time, it cancelled the RCF line in use on the date the Mandate Letter was signed, as a condition precedent to the use of the Liquidity Facility, and agreed, in the Mandate Letter, that a condition, among other, for the use of the New RCF, would be the completion of the Capital Increase; and
- the Company:
    - obtained specific waivers (preventive with respect to the occurrence of the relevant event), where necessary pursuant to the financing documentation, for the temporary suspension and violation of the declarations and guarantees relating to the occurrence of the circumstances referred to in art. 2446 of the Civil Code; and
    - without prejudice to the opportunity, medium tempore to obtain extensions to the terms of the existing waivers, which shall be agreed with the relevant lenders with a reasonable advance so as to avoid the occurrence of significant events pursuant to the

same financing contracts, Saipem intends to request the conclusion and completion, as soon as possible, of specific agreements which amend certain existing loan agreements, so as to obtain the definitive waiver by the relevant financing institutions to contractually execute them, in terms of misrepresentation, of the occurrence of the circumstances referred to in art. 2446 of the Italian Civil Code concerning the Company's financial statements at December 31, 2021.

* * * * *

In the framework of the overall Financing Package, Saipem's Related Parties Committee ("the **Committee**"), with the support of a legal advisor and a financial advisor appointed by the Committee, both of whom are independent, reviewed for the purposes of the regulations on transactions with related parties, the relevant aspects concerning the commitments that the significant shareholders have taken towards Saipem.

Following this review, the Committee, after having noted that it had continuously received information on the progress of the Financing Package, shared the assessment made by the management of the Company, concurring that these commitments are exempted from the application of the aforementioned regulations.

In particular, on March 23, 2022, the Committee agreed that:

(i) with regard to the Payment, this transaction is to be considered exempted as it is comparable to the proportional subscription of a capital increase offered in option to all shareholders, the only difference being that this subscription is made in advance;

(ii) with regard to the Corporate Guarantee, the Committee has assessed the correct application by the management, both in terms of information and procedure, of the exemption of this transaction, as the same is defined by the management as an ordinary transaction of greater importance and carried out at market conditions. In particular, the management of the Company defined this transaction as ordinary as it is a financial transaction functional to maintaining the Company's operational activities. In particular, the Corporate Guarantee shall enable the Company to obtain the necessary financing to carry out its operational activities. The management also noted that the cost of the Corporate Guarantee is in line with market conditions and the Committee shared this assessment with the support of its financial advisor.

7. Main features of the debt restructuring plan and its foreseeable effects on the evolution of the Company's operations

The Company has neither approved nor is in the process of approving any debt restructuring plans.

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8. Amendments to the Articles of Association and right of withdrawal

Should the proposals to reduce the share capital due to losses pursuant to art. 2446 of the Civil Code and the Capital Increase referred to in this Explanatory Report be approved, it will be necessary to amend and integrate art. 5 of the Articles of Association as indicated below.

Current Text	**Proposed Text**
Art. 5	**Art. 5**
The corporate capital amounts to € 2,191,384,693 (two billion one hundred and ninety-one million three hundred and eighty-four thousand six hundred and ninety-three) comprising no. 10,109,774,396 (ten billion one hundred and nine million seven hundred and seventy-four thousand three hundred and ninety-six) shares without par value; of which no. 10,109,665,070 (ten billion one hundred and nine million six hundred and sixty-five thousand and seventy) are ordinary shares, and no. 109,326 (one hundred and nine thousand three hundred and twenty-six) are savings shares. Savings shares may be issued by both capital increase and by converting shares from other categories; the issue of savings shares, which are convertible but have the same characteristics as ordinary shares, does not require formal approval by Savings Shareholders' Meetings.	The corporate capital amounts to **€460,208,914.80 (four hundred and sixty million two hundred and eight thousand nine hundred and fourteen euros and eighty cents**) comprising no. **212,313,626 (two hundred and twelve million three hundred and thirteen thousand six hundred and twenty-six)** shares, all without par value; of which no. **212,303,028 (two hundred and twelve million three hundred and three thousand twenty-eight**) are ordinary shares, and no. 10,598 (ten thousand five hundred and ninety-eight) are savings shares. Savings shares may be issued by both capital increase and by converting shares from other categories; the issue of savings shares, which are convertible but have the same characteristics as ordinary shares, does not require formal approval by Savings Shareholders' Meetings.
-	**The Extraordinary Shareholders' Meeting of May 17, 2022 granted the Board of Directors, pursuant to art. 2443 of the Italian Civil Code the power to increase the share capital to be carried out by March 31, 2023, in indivisible form, against payment of €2 billion (possibly rounded down if required depending on the offer price and the number of shares involved) inclusive of any share premium, through the issue of ordinary shares without a par value, to be offered in option to ordinary and savings shareholders pursuant to art. 2441, paragraph 1, of the Italian Civil Code, with regular entitlement and the same characteristics as the ordinary outstanding shares at the date of issue; all of the above with (i) consequent reverse stock split of ordinary and savings shares in the same**

	ratio, to be defined by the Board of Directors within the limit of one new ordinary share every maximum no. 20 outstanding ordinary shares and one new savings share every maximum no. 20 outstanding savings shares, subject to the cancellation of the maximum number of ordinary and savings shares necessary to balance the transaction without changes to the share capital, and (ii) subsequent amendment and update of article 6 of the Company's Articles of Association to include the recalculation, following the reverse stock split, of the quantification of the privileges granted by savings shares.

The proposed resolution to reduce the share capital, the only item on the meeting agenda, by cancelling a total of 798,663,813 ordinary shares (of which 798,663,772 shares as a consequence of the reverse stock split of ordinary shares and 41 shares as a consequence of the cancellation of treasury shares held by the Company), does not require the approval of the Special Meeting of Savings Shareholders, pursuant to art. 2376 of the Italian Civil Code and art. 146, paragraph 1, lett. b), of Legislative Decree 58/98, as they are not subject to any prejudice, taking into account the fact that the shares are without par value and that, following the cancellation of ordinary shares, the same implicit accounting parity for ordinary shares and savings shares shall be maintained as deferred in the losses pursuant to art. 6 of the Articles of Association. Furthermore, it should be noted that the privileges granted by savings shares are parameterized to an absolute monetary value and not to the accounting parity of the shares.

The Authorization, as it concerns a paid share capital increase through the issue of ordinary shares to be offered in option to ordinary and savings shareholders of the Company pursuant to art. 2441, paragraph 1, of the Italian Civil Code, in proportion to the number of shares they hold, is not subject to the approval of the Special Meeting of Savings Shareholders pursuant to art. 146, paragraph 1, lett. b), of Legislative Decree 58/98. Similar considerations apply to the reverse stock split, without any prejudice to the rights of the savings shares.

The amendments to the Articles of Association illustrated above do not give the Shareholders any right of withdrawal, and they shall not be required to approve the resolutions covered by this Report.

9. Proposed resolutions

In light of the foregoing, the Board of Directors submits the following proposed resolutions for your approval:

"The Extraordinary Shareholders' Meeting of Saipem S.p.A.:

taking into consideration

- the Company's balance sheet at December 31, 2021 showing a loss for the year 2021 of €2,382,569,149.09;

- the contents of the explanatory report by the Board of Directors drawn up pursuant to article 2446 of the Italian Civil Code and article 74 of the Regulation adopted with CONSOB resolution no. 11971 of May 14, 1999, as amended;
- the observations by the Board of Statutory Auditors pursuant to Article 2446 of the Italian Civil Code;
- the certification by the Board of Statutory Auditors attesting that the share capital is fully subscribed and paid up;

resolves

(A)

1) to acknowledge, also pursuant to art. 2446 of the Italian Civil Code, that the Ordinary Shareholders' Meeting of Saipem S.p.A. approved the financial statements at December 31, 2021;

2) to cover the full loss for the year 2021, equal to €2,382,569,149.09, resulting from the Company's balance sheet at December 31, 2021 by using available reserves equal to €661,643,754.60 and by reducing the share capital from €2,191,384,692.79 to € 460,208,914.80. In this context a reverse stock split shall be carried out, by having 21 ordinary shares every 100 ordinary shares (thereby reducing the number of ordinary shares to 798,663,772 shares), subject to the cancellation of no. 41 treasury shares held by the Company. In this context and, for mere accounting purposes, profits are carried forward of € 10,250,383.50;

3) to amend the first paragraph of Article 5 of the Articles of Association (capital, shares), which will therefore read:

"The corporate capital amounts to €460,208,914.80 (four hundred and sixty million two hundred and eight thousand nine hundred and fourteen euros and eighty cents) comprising no. 212,313,626 (two hundred and twelve million three hundred and thirteen thousand six hundred and twenty-six) shares, all without par value; of which no. 212,303,028 (two hundred and twelve million three hundred and three thousand twenty-eight) are ordinary shares, and no. 10,598 (ten thousand five hundred and ninety-eight) are savings shares.";

4) to grant the Board of Directors, and on its behalf the Chairman and the Chief Executive Officer, every power to implement and execute the above resolutions, including, by way of example and not limited to, the power to adopt and also to define, in agreement with the competent Authorities, the times and methods of the operations required for the cancellation of the ordinary shares, such as in particular the management of remaining share fractions by appointing, if necessary, an authorised intermediary, all in compliance with current legislation, as well as the power to make any changes and/or additions to the resolutions that may be required and/or appropriate, also if requested from any competent authority or at the time of registration, and in general, to carry out all necessary acts to complete the execution of the resolutions, with any and all powers necessary and appropriate for this purpose, no power excluded and excepted, including the filing of the updated Articles of Association with the Register of Companies to reflect the new share capital.

(B)

1) to grant the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, the power, to be exercised by March 31, 2023, to increase the share capital in an indivisible form, against payment of €2,000,000,000.00 (possibly rounded down depending on the offer price and the number of shares issued), including any share premium, through the issue of ordinary shares, with no par value, to be offered in option to ordinary and savings shareholders pursuant to art. 2441, paragraph 1, of the Italian Civil Code, in proportion to the number of shares they hold, with regular entitlement and the same characteristics as the outstanding ordinary shares on the date of issue; (i) simultaneous reverse stock split of ordinary shares and savings shares in the same ratio, to be

defined by the Board of Directors, within the limit of one new share for every maximum no.20 outstanding ordinary shares and one new savings shares for every maximum no. 20 outstanding savings shares, subject to the cancellation of the ordinary and savings shares in the maximum necessary number to balance the transaction, without changes to the share capital, and (ii) consequent amendment and update of article 6 of the Articles of Association to incorporate the recalculation, deriving from the reverse stock split, of the quantification of the privileges granted by savings shares;

2) to grant the Board of Directors the power to set any other term or condition concerning the share capital increase within the limits established by applicable legislation and by this resolution, including the issue price and any share premium, the number of ordinary shares to be issued and the option ratio applicable to the shares;

3) to grant the Board of Directors all powers to set the terms of the reverse stock split of ordinary and savings shares within the limits indicated above and to arrange all the necessary deed or actions to fully implement, in each individual part, the resolutions adopted for the successful completion of the reverse stock split, including, by way of indication only and not exhaustive:

- the power to identify, in accordance with the necessary technical timelines as indicated by the competent parties and in any case no later than March 31, 2023, the moment in which the reverse stock split will be carried out;

- the power to provide shareholders - through intermediaries adhering to Monte Titoli S.p.A. – with a service for the purchase or sale of fractions of the new or excess shares necessary to reach a whole number of ordinary and/or savings shares;

4) to amend art. 5 of the Articles of Association by inserting a new paragraph, as follows: *"The Extraordinary Shareholders' Meeting of May 17, 2022 granted the Board of Directors, pursuant to art. 2443 of the Italian Civil Code the power to increase the share capital to be carried out by March 31, 2023, in indivisible form, against payment of €2 billion (possibly rounded down if required depending on the offer price and the number of shares involved) inclusive of any share premium, through the issue of ordinary shares without a par value, to be offered in option to ordinary and savings shareholders pursuant to art. 2441, paragraph 1, of the Italian Civil Code, with regular entitlement and the same characteristics as the ordinary outstanding shares at the date of issue; all of the above with (i) consequent reverse stock split of ordinary and savings shares in the same ratio, to be defined by the Board of Directors within the limit of one new ordinary share every maximum no. 20 outstanding ordinary shares and one new savings share every maximum no. 20 outstanding savings shares, subject to the cancellation of the maximum number of ordinary and savings shares necessary to balance the transaction without changes to the share capital, and (ii) subsequent amendment and update of article 6 of the Company's Articles of Association to include the recalculation, following the reverse stock split, of the quantification of the privileges granted by savings shares."*;

5) to grant the Board of Directors, and on its behalf the Chairman and Chief Executive Officer, separately and with the right to sub-delegate, every power to implement and execute the above resolutions for the successful completion of the operation, including, by way of example and not limited to, the power to: (i) prepare and present any document required for the execution of the capital increase as well as to fulfil the formalities necessary to proceed with the subscription offer and gain admission to Euronext Milan organized and managed by Borsa Italiana S.p.A. for the newly issued shares, including the power to prepare and submit to the competent authorities any application, request, document or prospectus required for this purpose; (ii) make any changes and/or additions to the resolutions that may be required and/or appropriate, also if requested from any competent authority or at the time of registration, and in general, to carry out all necessary acts to complete the execution of the resolutions, with any and all powers necessary and

appropriate for this purpose, no power excluded and excepted, including the filing with the Register of Companies of the updated Articles of Association with the amended share capital and article 6."

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San Donato Milanese, April 22, 2022

On behalf of the Board of Directors

The Chairman

Silvia Merlo