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<i>Testo del comunicato</i>

Vedi allegato.

**BOD APPROVES 2020 CONSOLIDATED FINANCIAL STATEMENTS AND DRAFT FINANCIAL STATEMENTS OF THE PARENT COMPANY:
BACKLOG CONFIRMED, PRODUCTION RESUMED WITH 19 UNITS DELIVERED
AND ORDER INTAKE AT EURO 4.5 BILLION WITH 18 NEW VESSELS
2021 MARKS THE RESUMPTION OF GROWTH AND PROFITABILITY – EN ROUTE ALREADY WITH
Q4 2020 RESULTS
CONVENING OF SHAREHOLDERS' MEETING**

The year 2020 was an out-of-the-ordinary year, with the pandemic having hit the global economy and affected Fincantieri with a lower production for 20% of what planned. The fourth quarter has seen a full production recovery, pointing at 2021 as the year in which the Group will resume its growth path with improved marginality and profitability.

Consolidated 2020 results¹

Operational results

- **Cruise ship deliveries stayed on schedule as per the pre-pandemic program, even with the postponement of production programs:** 4 out of the 7 cruise ships delivered in 2020 were handed over in the second half of the year, amid the pandemic, including the 100th cruise ship built by Fincantieri, for Princess Cruises, a Carnival Group brand
- **No orders cancellations** and steady progress in production programs, reassessed after downtime in the Italian shipyards occurred in the first half of 2020
- **Q4 2020: consistent operational performance with revenues** at euro 1,657 million (excluding pass-through activities), and **EBITDA at euro 114 million** (+42% and +40% with respect to the yet positive Q3 results)
- **Sound financial position:** liquidity and available credit lines for euro 2.3 billion, enough to meet the Group's financial requirements
- **Total backlog² with 116 units, with deliveries up to 2029, and euro 35.7 billion, approximately 6.1 times 2020 revenues:** soft backlog at euro 7.9 billion
- **Order intake at euro 4.5 billion with 18 units**, of which 5 naval and 2 for operations in offshore wind farms
- **19 units delivered from 11 shipyards**, 7 of which are cruise ships, including 2 expedition cruise vessels, and 4 naval units
- **500 direct jobs and 2.500 indirect jobs were created in Italy** with an increase in headcount
- **Capex for euro 309 million:** efficiency improvements both in the Italian and foreign sites (Norway, Romania and United States)

Financial results

- **Revenues at euro 5,191 million**, pass-through activities excluded, -11% when compared to 2019 revenues (euro 5,849 million). Revenues are negatively impacted by COVID-19, with a downturn of 3.2

¹ In addition to the standard financial indicators required by IFRS, Fincantieri uses certain alternative performance measures for the purpose of better assessing its operating performance and financial position. The meaning and content of these measures are described in the appendices, in accordance with Consob Communication no. 0092543 of December 3, 2015, which implements the ESMA guidelines (document no. ESMA/2015/1415)

² Sum of backlog and soft backlog

million in production hours (-20% compared to the ones originally planned) in all Italian sites and a shortfall in revenues of euro 1,055 million

- **EBITDA at euro 314 million** (euro 320 million in 2019), **EBITDA margin of 6.1%**, excluding pass-through activities, (5.5% in 2019). Postponement of production programs led to lower contribution of euro 80 million
- **VARD: EBITDA** substantially at break-even as a result of the 2019 restructuring plan and alignment of Vard operations to Fincantieri best practices
- **Negative net income at euro 245 million** (negative for euro 148 million in 2019), net of COVID-19 related costs (euro 196 million) and asbestos-related claims (euro 52 million) and **negative adjusted³ net income at euro 42 million**, improving notwithstanding the pandemic effects (negative for euro 71 million in 2019)
- **Net debt⁴ at euro 1,062 million** (euro 736 million as of December 31, 2019), improved versus previous quarter, representing a capital structure consistent with cruise-specific financial dynamics. Net debt is also affected by the postponement of part of expected installments (nearly euro 450 million) and falls within the Group's strategy to support ship owners as well as preserve the backlog acquired so far, in addition to the capex intended to improve efficiency, production capacity and safety of the Group' shipyards

COVID-19 Update

- **Major cruise line companies:** operations are expected to resume in late spring 2021 and bookings for the second half of 2021 are in line with historical trends
- **The countermeasures implemented to protect the health and safety of our people have proven effective:** 4% tested positive in the Italian shipyards and docks of the Group and **91% employee satisfaction** over the commitment shown by the Company

Strategic initiatives

- **Consolidation of the defense industry both on a national and international scale:**
 - **Italy:** new units for the Italian Navy – 2 new FREMM frigates and 2 submarines
 - **Europe:** Naviris, the 50-50 JV with Naval Group, is fully operating and progressing with the execution of orders received. An MoU for the European Patrol Corvette project was signed earlier this year.
 - **US:** Fincantieri Marinette Marine is prime contractor of the FFG(X) program for the US Navy. The contract envisages the concept design and construction of the first-in-class frigate as well as an option for 9 additional units, that would bring the cumulative value of the contract to USD 5.5 billion, stretching visibility up to 2035
- **VARD enters new segments of the maritime industry while undertaking a sustainable growth path:**
 - **Renewable energies:** new orders for service operation vessel to be deployed in offshore wind farms
 - **Unmanned vessels:** new contract for the design and construction of 8 unmanned vessels for maritime operations in both USA and UK waters. A green ammonia fuel system will also be featured
- **Expanding strategic positioning in infrastructures and maritime facilities** in addition to the acquisition of INSO and SOF, company operating into healthcare infrastructures. It is worth to remember the construction of the San Giorgio Bridge in Genoa, delivered in record time by the subsidiary Fincantieri Infrastructure
- **Fincantieri NexTech** (former INSIS), a cutting-edge technology company with competences ranging from cybersecurity to security and telecommunication systems, has signed a multi-year agreement along with

³ Net result before extraordinary and non-recurring items

⁴ Excluding construction loans and including non-current financial receivables

Autostrade Tech, an Aspi⁵ Group company, and IBM. The agreement entails the implementation, sale, and joint maintenance of an innovative system for the monitoring and safety on Italian highway infrastructures

• **Sustainability in Fincantieri:**

- Fincantieri's commitment again **awarded by CDP⁶ and Vigeo Eiris**, respectively assigning the rating of A- and placing the Group into the range "Advanced"
- **MIKE⁷ award**, both in the nation and the international section of Global Companies, conferred to Fincantieri for its forward-looking approach and its stand towards upcoming sustainability and innovation challenges
- A complete and transparent information: those the key elements leading the Group's Sustainability Report to earn the **Oscar di Bilancio 2020**

Board of Directors resolutions

- **Approval of the draft financial statements of Fincantieri S.p.A. at December 31, 2020**
- **Approval of the Consolidated financial statements at December 31, 2020**
- **Approval of the Consolidated Non-financial Statement at December 31, 2020** pursuant to Legislative Decree No. 254/2016
- **Ordinary Shareholders' Meeting convened for April 8, 2021 on single call**

* * *

Rome, February 25, 2021 – The Board of Directors of **FINCANTIERI S.p.A.** ("Fincantieri" or the "Company"), chaired by Giampiero Massolo, has approved the **draft financial statements of the parent company at December 31, 2020** and the **Consolidated financial statements at December 31, 2020**, prepared in accordance with international financial reporting and accounting standards (IFRS) and the **Consolidated Non-financial Statement at December 31, 2020** pursuant to Legislative Decree No. 254/2016.

During the Board meeting **Giuseppe Bono, Chief Executive Officer of Fincantieri**, said: *"Throughout 2020, the pandemic put a severe strain on the global economy, painfully impacting all industries and especially large-scale enterprises. In such a scenario, we have proven our prompt responsiveness, by rescheduling our production programs and adjusting our operational processes accordingly. Fourth quarter results show further progresses with respect to those already made in the previous quarter, as evidenced by the order intake at 4.5 billion euro, the total backlog confirmed at more than 35 billion euro with 97 vessels, and deliveries stretching up to 2029. Therefore, we should be proud of the Group's response, as we managed to deliver 7 cruise vessels thanks to the strong relationships with our clients, and achieved prestigious successes in Naval, including the historic contract for the US Navy frigates. Moreover, in 2020 we focused even more on high-tech sectors. One for all, infrastructures: with the new Genoa bridge, we gave evidence of our ability to deliver very complex products on schedule".* Bono concluded: *"As long as scientific progress is made in treatments and vaccines, we expect a growth of 25%, led by our considerable backlog, as well as improving marginality and return to profit".*

⁵ Aspi: Autostrade per l'Italia

⁶ CDP: Carbon Disclosure Project

⁷ MIKE: Most Innovative Knowledge Enterprise

CONSOLIDATED 2020 RESULTS

Financial Highlights

Economic data		31.12.2020		31.12.2019	
		Group	Fincantieri S.p.A.	Group	Fincantieri S.p.A.
Revenue and income	Euro/million	5,879	4,391	5,849	4,314
Revenue and income excluding pass-through activities	Euro/million	5,191	3,703		
EBITDA	Euro/million	314	281	320	489
EBITDA margin (*)	%	5.3%	6.4%	5.5%	11.3%
EBITDA margin (*) excluding pass-through activities	%	6.1%	7.6%		
EBIT	Euro/million	148	175	153	390
EBIT margin (**)	%	2.5%	4.0%	2.6%	9.0%
EBIT margin (**) excluding pass-through activities	%	2.9%	4.7%		
Adjusted profit/(loss) for the year ⁽¹⁾	Euro/million	(42)	155	(71)	185
Extraordinary and non-recurring income (expenses)	Euro/million	(258)	(203)	(67)	(45)
Profit/(loss) for continued operations	Euro/million	(245)	-	(124)	-
Profit/(loss) for the year	Euro/million	(245)	1	(148)	151
Group share of profits/(loss) for the year	Euro/million	(240)	-	(141)	-

Financial data		31.12.2020		31.12.2019	
		Group	Fincantieri S.p.A.	Group	Fincantieri S.p.A.
Net invested capital	Euro/million	1,839	2,540	1,786	1,391
Equity	Euro/million	777	1,635	1,050	1,630
Net financial position	Euro/million	(1,062)	(905)	(736)	239

Other indicators		31.12.2020		31.12.2019	
		Group	Fincantieri S.p.A.	Group	Fincantieri S.p.A.
Order intake (***)	Euro/million	4,526	2,969	8,692	6,359
Order book (***)	Euro/million	36,770	30,704	37,127	31,296
Total backlog (***)(****)	Euro/million	35,681	27,225	32,690	28,307
- of which backlog (***)	Euro/million	27,781	23,953	28,590	24,707
Capital expenditure	Euro/million	309	193	279	215
Net cash flow of the period	Euro/million	901	762	(296)	(315)
Research and Development costs	Euro/million	144	113	134	103
Employees at the end of the period	N°	20,150	8,510	19,823	8,287
Vessels delivered	N°	19	6	26	5
Vessels ordered	N°	18	4	28	15
Vessels in order book	N°	97	57	98	59

Ratios		31.12.2020		31.12.2019	
		Group	Fincantieri S.p.A.	Group	Fincantieri S.p.A.
ROI	%	8.1%	8.9%	8.7%	29.7%
ROE	%	-26.8%	0.1%	-12.9%	9.6%
Total debt/Total Equity	N°	3.2	1.4	1.2	0.6
Net financial position/EBITDA	N°	3.4	3.2	2.3	n.a.
Net financial position/Total Equity	N°	1.4	0.6	0.7	n.a.

(*) Ratio between EBITDA and Revenue and income

(**) Ratio between EBIT and Revenue and income

(***) Net of eliminations and consolidation adjustments

(****) Sum of backlog and soft backlog

(1) Profit/(loss) before extraordinary and non-recurring income and expenses

The percentages contained in this report have been calculated with reference to amounts expressed in thousands of euros

Consolidated financial and economic results for 2020

Fincantieri's revenues for 2020 stand at euro 5,879 million (euro 5,849 million at December 31, 2019). Excluding pass-through activities, for about euro 690 million related to the progress of the sale of two naval vessels, revenues amount to euro 5,191 million, -11% when compared to 2019 figures, notwithstanding the postponement of production programs led by the operations downtime and the slowdowns of the gradual ramp up in all Italian sites.

Revenue and income (euro/million)	31.12.2020	31.12.2019 restated(*)	31.12.2019	Delta vs. 31.12.2019 restated(*)	Delta % vs. 31.12.2019 restated(*)
Shipbuilding	5,226	5,145	5,088	81	1.6%
Offshore and Specialized Vessels	389	327	440	62	19.0%
Equipment, Systems and Services	937	899	899	38	4.2%
Consolidation adjustments	(673)	(522)	(578)	(151)	n.a.
Total	5,879	5,849	5,849	30	0.5%

n.a. = not applicable

(*) The 2019 figures have been restated to reflect the reallocation of Vard Electro's activities from the Offshore and Specialized Vessels to the Shipbuilding segment

COVID-19 impacts, mainly affecting the Shipbuilding segment, resulted in a loss of 3.2 million of the forecasted production hours (-20%) – of which 2.7 million attributable to the first semester only – and in lower revenues for euro 1,055 million – of which euro 790 million referable to the first semester only. To respond to COVID-19 health emergency, the Group has deemed necessary to protect all of its people by suspending all activities in the Italian plants and shipyards, ahead of regulatory provisions, and gradually resuming them only after all strict safety protocols had been implemented. Production slowdown was also led by the reassessment of production program following deliveries rescheduling negotiated with the ship owners. Revenues were as well affected by the negative impact (euro 68 million) of the conversion, into euro, of subsidiaries revenues denominated in Norwegian Krone and US dollars.

Revenues generated by foreign clients accounted for 87% of total revenues in 2020 (82% in 2019).

EBITDA came in at euro 314 million (euro 320 million in 2019). Fourth quarter' EBITDA stands at euro 114 million, recording a +40% when compared to the third quarter that was already marking a positive trend for the Group. The lower production volumes, led by operations downtime and the slowdowns of the following gradual ramp up in all Italian sites, resulted in an EBITDA shortage of euro 80 million (of which euro 65 related to the first semester only). Such a shortage in EBITDA is attributable to the Shipbuilding segment for euro 58 million (euro 48 million for the first semester only) and to the Equipment, Systems and Services segment for euro 22 million (euro 17 million for the first semester only). Offshore and Specialized Vessels' EBITDA is substantially at break-even as a result of the reorganization plan launched in 2019. **2020 EBITDA margin** stands at 6.1% on yearly basis (5.3% including pass-through activities) and at 7,0% for the fourth quarter, improved if compared to 2019 figures, despite the COVID-19 induced lower contribution of euro 80 million.

EBIT amounts to euro 148 million (euro 153 million in 2019), with an **EBIT margin** (ratio between EBIT and Revenue and income) of 2.5% (2.6% in 2019) and 2.9% excluding pass-through activities. This change in EBIT is due to the reasons illustrated above for the Group's EBITDA. It is to be noted a lower incidence of depreciation and amortization when compared to last year, due to the reclassification of extraordinary expenses related to the operating depreciation and amortization during production shutdown led by COVID-19 outbreak.

Finance income and expenses and Income and expenses on Investments amount to an overall negative euro 144 million (negative for euro 137 million at December 31, 2019). The item Finance income and expenses discounts unrealized expenses (euro 19 million), led by the conversion of the loan granted to the Brazilian subsidiary Vard Promar, denominated in US dollars. The unrealized expenses were in turn offset by the income related to the early repayment of the purchase option of the minority interests in Fincantieri NexTech (euro 10 million) and to the income related to the review of the interest rate on a loan.

Adjusted Loss is at euro 42 million at December 31, 2020 (euro 71 million adjusted loss at December 31, 2019), for the abovementioned reasons. The Group share presents a loss of euro 37 million (loss of euro 64 million in 2019).

Extraordinary and non-recurring income and expenses are negative at euro 258 million and include COVID-19 related costs for euro 196 million, asbestos-related litigation costs for euro 52 million and other non-recurring charges for euro 10 million. COVID-19 costs are mainly attributable to: i) a lower operating leverage led by the production downtime (of which euro 20 million are related to amortization and depreciation), ii) a lower production efficiency, and iii) delays originated from the implementation of safety protocols in addition to costs for health care facilities and expenses to safeguard the health and safety of all the personnel. The same item was negative at December 31, 2019 for euro 67 million and included costs for legal disputes (euro 53 million, of which euro 40 million attributable to asbestos related litigation), charges for business reorganization plans related to the subsidiary VARD (euro 9 million) and other costs linked to non-recurring operations (euro 5 million).

Loss for the period amounts to euro 245 million (loss at euro 148 million at December 31, 2019). The Group share is a loss of 240 million (loss of euro 141 million in 2019).

Net invested capital amounts to euro 1,839 million at December 31, 2020 (euro 1,786 million at December 31, 2019). In detail, **net fixed capital** stands at euro 2,035 million (euro 1,905 million at December 31, 2019), presenting an overall increase of euro 130 million. The main changes include (i) the increase of the value of Property, plant and equipment by 76 million, with the capital expenditure of the period (euro 232 million) being partially offset by depreciation (euro 91 million), by the negative impact of the conversion of foreign financial statements (euro 43 million) and by an overall decrease of assets (euro 20 million); ii) the increase in Investments (euro 30 million) due to VARD subscription of a share in the capital of a shipping company operating in the Offshore sector, in addition to the contribution to the latter of a ship previously recorded as fixed assets, iii) the increase in Other non-current assets and liabilities mainly as effect of the decrease in liability, recorded in the 2019 financial statements, for the acquisition of the minority share of the capital of NexTech S.p.A. (transaction completed in 2020).

Net working capital reports a negative balance of euro 202 million (negative for euro 125 million at December 31, 2019). The main changes relate to (i) increase of Inventory and advances (euro 548 million) primarily due to the progress in the Group's projects and the postponement of part of the expected installments (euro 450 million); (ii) increase in Trade payables (euro 91 million) due to higher production volumes in the fourth quarter.

Construction loans, dedicated credit instruments used for the exclusive financing of specific projects, amount to euro 1,325 million at December 31, 2020, with an increase of euro 514 million in comparison to December 31, 2019 figures. Parent Company accounts for euro 1,000 million while euro 325 million are attributable to the subsidiary Vard.

Equity, amounting to euro 777 million, recorded a reduction of euro 273 million, primarily due to the Loss of the year of euro 245 million and to the conversion reserve (euro 31 million).

Consolidated net financial position, which excludes construction loans, reports a net debt balance of euro 1,062 million (euro 736 million in net debt at December 31, 2019). The change is mainly due to the investments for the period and the financial cycle typical of the cruise shipbuilding business emphasized by the postponement of part of the installments expected for the period.

The deferments granted to its customers fall within the Group's strategy to preserve the sizable backlog, as well as to strengthen the relationship with the clients, committed to improve the efficiency of their fleets with new ships, fully compliant with the stringent environmental, health and safety standards. The impact of the strategy amount to about euro 450 million euros, consistent with what was forecasted; the impact will be reabsorbed in the next few years.

The increase in cash and cash equivalents is mainly attributable to the loan, whose value amounts to euro 1,150 million, pursuant to Law Decree No. 23 of 2020, cashed in in October 2020.

The **reclassified consolidated statement of cash flows** shows a positive net cash flow for the period of euro 901 million (negative for euro 296 million in 2019). The cash flow for the period generated by financing activities, in addition to covering the investments of the period and the amount absorbed by operating activities, reflects the Group's choice to mainly use short-term financing, during the uncertainty led by the pandemic outbreak, in order to create a liquidity buffer to meet the expected financial needs.

At December 31, 2019, construction loans generated cash flows for euro 529 million (at 31 December 2019 cash flows absorbed amounted to euro 165 million).

Among the **profitability indicators**, ROI (8.1%) and ROE (-26.8%) mirror 2020 operational results: ROE reflects the Net Loss of euro 245 million including COVID-19 related costs for euro 196 million, led by a lower operating leverage during production downtime, by the slowdowns induced by the implementation of new safety protocols and by the costs for personal protection equipment and medical devices to safeguard the health and safety of the personnel, in addition to a lower contribution (euro 80 million) caused by the postponement of production programs.

With reference to the **indicators of the strength and efficiency of the capital structure**, the Total debt/Equity ratio, at 3.2, the Net financial position/EBITDA ratio, at 3.4 and the Net financial position/Equity ratio, at 1.4, follow the increase in the Group' Net Debt and Net Financial position, in addition to the lower contribution of the EBITDA and to the loss of the year, impacting as well the Group' Equity, as COVID-19 effect.

Group operational results and performance indicators for 2020

Order intake and backlog

New orders in 2020 amounted to euro 4,526 million (euro 8,692 million in 2019), with 18 new units and a book-to-bill ratio (Order intake/Revenues) of 0.8 (1.5 in 2019). It is to be noted that in 2019 the Group had recorded a record level of orders intake for 13 cruise ships. On overall orders, before intersegment consolidation adjustments, the Shipbuilding segment accounted for 82% (93% in 2019), the Offshore and Specialized Vessels segment for 11% (2% in 2019) and the Equipment, Systems and Services segment for 14% (10% in 2019); 7% of the orders are intercompany orders.

With reference to the **cruise ships business area**, it is worth noticing the order for the shipowner Norwegian Cruise Line that, in addition to the extension, includes further agreed changes on 4 cruise vessels, already included in the current order book.

In the **naval business area**, the Group has been awarded the contract for the first-in-class unit of the new guided-missile frigates for the US Navy within the FFG(X) program. The Group, through its American subsidiary, Fincantieri Marinette Marine, has prevailed over the world's major shipbuilding groups in the detailed design and construction of the program's first unit. The contract also includes the options for the design and construction of further 9 units with delivers up to 2035. The award represents an important evolution in the strategic profile of the American operations: for the first time, Fincantieri Marinette Marine will act as prime contractor in a project for the US Navy. Additionally, the Department of Defense and the US Navy have shortlisted the subsidiary Fincantieri Marinette Marine for the design and engineering of the Large Unmanned Surface Vessel (LUSV), the future large-size surface vessels able to operate without crew.

During the fourth quarter, a contract for the sale of two FREMM units was finalized: one was handed over in December 2020 while the second one is to be delivered in 2021. The deed, carried out by Fincantieri, consists in the trade of two units of the FREMM program originally acquired by Orizzonti Sistemi Navali S.p.A. (Joint venture with Leonardo) while acting as prime contractor, for the Italian Navy, within the framework agreements with OCCAR (Organization for Joint Armament Cooperation). As so, Orizzonti Sistemi Navali S.p.A. has ordered two platforms for the construction of two new FREMM units for the Italian Navy as part of the aforementioned program.

The Group was awarded with a contract for the order of two U212 NFS (Near Future Submarine) submarines by OCCAR, units intended for the Italian Navy. The order also includes the supply of training, technical and logistical services, as well as the option for two other units of the same class.

Also in the naval business, Naviris, a 50/50 joint venture between Fincantieri and Naval Group, has signed its first R&T (Research and Technology) contract with OCCAR (Organisation for Joint Armament Cooperation) for a program of 5 research projects and it represents a stepping stone for a long-term cooperation between the two Groups. Naviris, as prime contractor, will coordinate the technical activities entrusted to the two companies and it will own the intellectual property resulting from the research.

In the **Offshore and Specialized Vessels segment**, VARD signed the first order for the design and construction of a Service Operation Vessel (SOV), for the maintenance of marine wind farms located in Greater Changhua and operated by the Danish electricity company Ørsted. The subsidiary was then selected by the Dutch company Van Oord for the construction of a cable-laying vessel, equipped with state-of-the-art technology and intended to operate in deep waters wind farms. Such orders mark the entrance of the Norwegian subsidiary into the promising offshore renewable energy sector and confirm the diversification strategy defined by the Parent Company. During the year, VARD signed as well a contract for the design and construction of eight robotic ships for Ocean Infinity, for the supply of maritime services and to be deployed in the United States' and the United Kingdom' waters.

Lastly, in the **Equipment, Systems and Services segment**, Fincantieri, through its subsidiary Fincantieri Infrastruttura Opere Marittime, signed a contract for the reconstruction, reinforcement and upgrading of the historic international Port of Rapallo, significantly damaged by the storm surges of October 2018. The works to reconstruct the Port will also secure the town and the marine area of Rapallo. Moreover, into the Electronic, Systems and Software business area, the subsidiary Fincantieri NexTech has signed a multi-year agreement along with Autostrade Tech, a company of Autostrade per l'Italia Group (Aspi), and IBM. The agreement entails

the implementation, sale, and joint maintenance of an innovative system for the monitoring and safety on highway infrastructures. The system is already operative on Aspi network. It is also to be noted the commercial success achieved by Marine Interiors during 2020: the company was awarded a contract, with Shanghai Waigaoqiao Shipbuilding Co. Ltd (SWS), for the supply of 2,800 cabins for the first cruise unit that SWS is building specifically for the Chinese market. Such achievement proves Fincantieri's vision to oversee and enhance its supply chain as deeply worthwhile.

The Group's **total backlog** at December 31, 2020, includes 116 units and it amounts to euro 35.7 billion, of which euro 27.8 billion of backlog (with 97 units to be delivered up to 2029) and euro 7.9 billion of soft backlog. The backlog and the total backlog guarantee respectively about 4.7 and 6.1 years of work when compared to the revenues recorded in 2020, with a clear predominance of the Shipbuilding segment. Considering the Group total backlog, before intersegment consolidation adjustments, the backlog for the Shipbuilding segment accounts for 94% of the Group backlog (94% in 2019), the Offshore and Specialized Vessels segment accounts for 3% of the Group backlog (3% in 2019) whereas Equipment, Systems and Services accounts for 7% of the Group backlog (6% in 2019). 4% is intersegment backlog.

Capital expenditure

Capital expenditure amounted to euro 309 million in 2020, of which euro 77 million for intangible assets (including euro 20 million for development projects) and euro 232 million for property, plant and equipment. The Parent Company accounted for 62% of total capital expenditure.

Capital expenditure represented 5.3% of the Group's revenues in 2020 (4.8% in 2019).

Although affected by the slowdowns led by COVID-19 outbreak, capital expenditures, for 2020, on Property, Plant and Equipment, were developed in continuity with previous years and they mainly concerned: i) the upgrading of operational areas and infrastructure at some Italian shipyards to meet new production scenarios, ii) the improvement of safety standards on plants, equipment and buildings, iii) the improvement of safety standards on plants, equipment and buildings and the prosecution of the activities for the increase of production capacity of the Vard Tulcea and Vard Braila shipyards, to support both the construction of the hulls and the multi-year program to build sections and pre-fitted sections of cruise ships to support Fincantieri production network, iv) the upgrading and efficiency increase of US shipyards' plants, involved in the development of the programs recently acquired.

Headcount

The increase of headcount of 1.7% overall, from 19,823 at December 31, 2019 (9,334 in Italy only) to 20,150 at December 31, 2020 (9,844 in Italy only), follows the workforce requirements to develop the current backlog and it is paired with a significant increase in the involvement of the network of subcontractors. The reduction in the workforce abroad is mainly attributable to Norway, following the shutdown of Aukra and Brevik shipyards, and to Romania as a result of the efficiency actions undertaken by the Group.

Deliveries

The following table shows the deliveries of 2020 and the ones scheduled each year for vessels currently in the order book, analyzed by the main business units.

(number)	2020	2021	2022	2023	2024	2025	Beyond 2025
Cruise ships/expedition cruise vessels	8 ⁸	7	8	9	5	5	4
Naval	4	8	9	5	6	5	5
Offshore and Specialized vessels	7	4	11	5	1	-	-

Business outlook

The Group expects to return to the pre-COVID-19 growth levels by 2021 through the development of the current sizable backlog and in the absence of negative developments related to the pandemic and relapses currently unforeseeable. In such context, during 2021, revenues are expected to increase by 25%-30%, when compared to those recorded in 2020 (excluding pass-through activities), with a consequent improvement in marginality, which should have a value close to 7% and so confirming the growth guidelines outlined by the Group before the pandemic. Such results may lead to a return of a sustainable dividends distribution starting as soon as 2022.

The Net Financial Position will increase in the first half of 2021, consistently with cruise shipbuilding specific financial dynamics, and, following the delivery of cruise ships scheduled for the third quarter, it will settle to 2020 year-end levels by December 31, 2021.

In the **Shipbuilding** segment, production volumes are expected to be significantly higher than the levels reached in 2020 led by the return to full swing and by the development of the current significant backlog.

In the **cruise ships business area**, during 2021, 5 ships are scheduled to be delivered from the Italian shipyards (Silver Dawn, Viking Venus, HAL Rotterdam, MSC Seashore and Virgin Valiant Lady) in addition to 2 luxury cruise units delivered by Vard cruise (Ponant Icebreaker and Hapag-Lloyd). Actions to support the increase in volumes have already been planned: on the one hand, completion of **capex** for the upgrading of the Marghera and Monfalcone shipyards, and, on the other hand, an increasingly greater integration of all the shipyards dedicated to cruise shipbuilding (Italy and Romania).

In the **naval business area**, production volumes are guaranteed by the development of existing programs. In particular, 5 vessels are scheduled to be delivered from the Italian shipyards, in addition to 3 units to be delivered by the US shipyards. In 2021, activities for the development of the FFG (X) program, awarded by the US Navy, will be set up. A considerable capex program is planned in order to boost the efficiency of US shipyards.

In the **Offshore and Special Vessels segment**, orders for 2021 are expected to be in line with those of 2020, with a strong focus on the main segments of the diversification strategy (wind offshore and fishery). On the operational side, the development of the acquired backlog will proceed as scheduled, setting deliveries for 4 ships in 2021 and focusing on execution aiming to the recovery of the margins.

⁸ For organizational reasons, VARD shipyards fall within one of two business units: Cruise or Offshore and Specialized Vessels. One fishery vessel, built for Havfisk, was previously included among cruise units deliveries.

Equipment, Systems and Services will be expected to:

- in the Service business area, develop the backlog related to the contracts for the Italian Navy and the Ministry of Defense of Qatar, in addition to the completion of the repair and transformation operations for the client Windstar;
- in Complete Accommodation, increase volumes led by the supply of cabins, hygiene boxes and public areas, in addition to the development of new businesses (windows and catering);
- for Electronics, Systems and Software, grow in particular in the business lines related to defense systems for the naval business area and for the solutions of monitoring and security of critical infrastructures;
- in the Energy business area, consolidate the supply of components and ship systems, being strategic for the Group's cruise and naval business areas, in addition to the supply of high-tech systems for adjacent segments;
- for Infrastructures, grow in markets coherent with the Group's know-how and expertise (large steel infrastructures, modernization of ports, dredging, integration of complex projects, as well as health infrastructures) and the penetration of the international markets;

In the medium-long term, the visibility achieved with the backlog acquired to date, committing Fincantieri production programs up to 2029, can be extended thanks to the conversion of the substantial soft backlog into firm orders and through business opportunities arising in markets where the Group is establishing its presence.

In addition to its diversification strategy, the Group confirms its role as innovative leader, increasing its technological competences through the development of cutting-edge solutions that anticipate market demands for safer, more ecofriendly and competitive products. On the operations side, Fincantieri will further invest in the optimization of industrial processes leading to an increased competitiveness, a higher efficiency and a lower production lead time.

The results achieved in such a challenging year, as the last one was, demonstrate the effectiveness of the Group' strategic choices while indicating the return towards the envisaged growth path, aiming for a comeback to the margin levels embedded in the current backlog.

Operational review by segment⁹

SHIPBUILDING

(Euro/million)	31.12.2020	31.12.2019 restated (***)	31.12.2019 published
Revenue and income (*)	5,226	5,145	5,088
Revenue and income (*) excluding pass-through activities	4,538		
EBITDA (*)	285	368	375
EBITDA margin (*) (**)	5.4%	7.2%	7.4%
EBITDA margin (*) (**) excluding pass-through activities	6.3%		
Order intake (*)	3,716	8,098	8,057
Order book (*)	33,929	34,239	34,206
Order backlog (*)	26,088	26,833	26,828
Capital expenditure	250	222	222
Vessels delivered (number)	12	11	11

(*) Before elimination between operating segments

(**) Ratio between segment EBITDA and Revenue and income

(***) The 2019 figures have been restated to reflect the reallocation of Vard Electro's activities from the Offshore and Specialized Vessels to the Shipbuilding segment

Revenue and income

Revenues from the Shipbuilding segment at December 31, 2020 amounted to euro 5,226 million – euro 4,538 million excluding pass-through activities for about euro 690 million, down by 11.8% when compared to December 31, 2019 figures. Such trend was deeply influenced by the postponement of production program, caused by the downtime in the Group' Italian shipyards leading in turn to lower revenues for about euro 909 million.

Cruise ship business area revenues accounted for euro 3,281 million (euro 3,631 million at December 31, 2019) down by 9.6%, including the negative impact of changes in the Euro/Norwegian Krone exchange rate (euro 41 million) due to the conversion of Norwegian subsidiaries financial statements. The **naval business area** records revenues for euro 1,250 million, excluding pass-through activities, (euro 1,503 million at December 31, 2019), down by 16.8%, including the negative impact of changes in the Euro/USD exchange rate (euro 10 million).

EBITDA

EBITDA of the segment at December 31, 2020 amounts to euro 285 million (euro 368 million at December 31, 2019). The fourth quarter records an EBITDA of euro 94 million, confirming the positive trend of the segment, already demonstrated in the previous quarter. On a yearly basis, EBITDA reflects a shortage in contribution of euro 58 million due by a lower progress in the cruise shipbuilding and in the naval shipbuilding both led by the postponement of production programs. It is to be noted that Vard cruise recorded an EBITDA substantially at break-even, pointing out the results of the restructuring plan, launched by the management in 2019. The execution of the plan also implicated the review of projects estimated costs at completion.

EBITDA margin stands at 6.3% on a yearly basis while it stands at 6.5% for the fourth quarter both excluding pass-through activities (5.4% on yearly basis with pass-through activities included).

⁹ It is notable that, following its operational reorganization, completed in Q4 2018, VARD cruise business unit, previously included in the Offshore segment, is now included in the Shipbuilding segment (cruise business area)

Deliveries

The vessels delivered were:

- “Seven Seas Splendor”, the second unit built for Regent Seven Seas Cruises, a Norwegian Cruise Line brand, delivered at Ancona shipyard;
- “Scarlet Lady”, the first of four cruise ships built for Virgin Voyages, a brand new cruise operator, and delivered at Sestri Ponente shipyard;
- “Enchanted Princess”, the fifth Royal Princess class ship built for Princess Cruises, a Carnival Group brand, delivered at Monfalcone shipyard;
- “Silver Moon”, the second of three ultra-luxury units built for Silversea, a Royal Caribbean Group brand, delivered at Ancona shipyard;
- “Costa Firenze”, the second ship designed for the Chinese market and built for Costa Cruises, a Carnival Group brand, delivered at Marghera shipyard;
- “Le Bellot” and “Le Jaques Cartier”, the last two of six Explorer class units built for Ponant, delivered at Søviknes shipyard (Norway);
- one fishery unit built for Finnmark Havfiske AS and delivered at Søviknes shipyard (Norway).
- LCS 19 “St. Louis”, the tenth units for the US Navy, built within LCS program, delivered at US shipyard in Marinette (Wisconsin – USA);
- “Madonna”, a ferry built for Washington Island and delivered at Sturgeon Bay (Wisconsin – USA);
- one multi-mission frigates (FREMM), delivered at Muggiano shipyard (La Spezia);
- one barge unit built for Van Enkevort, delivered at US shipyard in Marinette (Wisconsin – USA).

OFFSHORE AND SPECIALIZED VESSELS

(Euro/million)	31.12.2020	31.12.2019 restated(***)	31.12.2019 published
Revenue and income (*)	389	327	440
EBITDA (*)	(5)	(99)	(107)
EBITDA margin (*) (**)	-1.3%	-30.4%	-24.2%
Order intake (*)	487	165	207
Order book (*)	1,436	1,416	1,449
Order backlog (*)	874	883	888
Capital expenditure	3	6	6
Vessels delivered (number)	7	15	15

(*) Before elimination between operating segments

(**) Ratio between segment EBITDA and Revenue and income

(***) The 2019 figures have been restated to reflect the reallocation of Vard Electro's activities from the Offshore and Specialized Vessels to the Shipbuilding segment

Revenue and income

Revenues from the Offshore and Specialized Vessels segment at December 31, 2020 amounted to euro 389 million, up by 19.0% compared to December 31, 2019 (euro 327 million), bearing the negative impact of changes in the Euro/Norwegian Krone exchange rate (euro 26 million) due to the conversion of the Norwegian

financial statements. The measures adopted to countervail the impact of production slowdowns, due to the pandemic outbreak, allowed the segment to preserve the expected targets to date.

EBITDA

The segment records an EBITDA substantially at break-even, pointing out the results of the restructuring plan, launched by the management in 2019. The execution of the plan also implicated the review of projects estimated costs at completion and the reduction of the production footprint; this entailed the dismissal of two Norwegian shipyards located in Aukra and Brevik and the exit from no more profitable businesses.

Deliveries

The vessels delivered were:

- one OSCV unit (Offshore Subsea Construction Vessel) built for Island Offshore AS and delivered at Brevik shipyard (Norway);
- one fishery unit built for Nergard Havfiske AS and delivered at Brattvåg (Norway);
- one fishery unit built for Australian Longline Vessel and delivered at Vung Tau (Vietnam);
- two ferries built for Boreal Sjø AS and delivered at Langsten (Norway);
- one fishery unit built for Remøybuen AS and delivered in Langsten (Norway);
- one unit for Yara Norge AS delivered at Brattvåg (Norway);

EQUIPMENT, SYSTEMS AND SERVICES

(Euro/million)	31.12.2020	31.12.2019
Revenue and income (*)	937	899
EBITDA (*)	76	90
EBITDA margin (*) (**)	8.1%	10.0%
Order intake (*)	649	842
Order book (*)	3,045	2,951
Order backlog (*)	1,839	1,736
Capital expenditure	32	30

(*) Before elimination between operating segments

(**) Ratio between segment EBITDA and Revenue and income

Revenue and income

Revenues of Equipment, Systems and Services segment amounted to euro 937 million, despite the negative impact of euro 222 million led by revenues postponement induced by production downtime of some of the activities in Italy. Such results confirm the growth trend and the consolidation within the market segment. The segment trend reflects the Group's strategic choices to aim for a diversification ranging from infrastructure sectors, to those with a high technological content (electronics and cyber security), to complete accommodation for the cruise ship sector, and to systems, components and after-sales services.

EBITDA

EBITDA of the segment at December 31, 2020 was equal to euro 76 million (euro 90 million at December 31, 2019) with and EBITDA margin of 8.1%. Profitability reduction reflects the postponement of production programs, resulting in a lower EBITDA contribution of euro 22 million (of which euro 17 million referable to the

first semester only), in addition to the different combination of products and services delivered during the period – compared to the one offered last year.

OTHER ACTIVITIES

(Euro/million)	31.12.2020	31.12.2019
Revenue and income	2	2
EBITDA	(41)	(38)
EBITDA margin	<i>n.a.</i>	<i>n.a.</i>
Capital expenditure	24	21

n.a. not applicable

Other activities primarily refer to the costs incurred by corporate headquarters for directing, controlling and coordinating the business that are not allocated to other operating segments.

Other information

Other significant events in the period

On January 14, 2020 the first board meeting of Naviris, the joint venture between Fincantieri and Naval Group, took place. This partnership consolidates the shared desire of the two companies to build a future of excellence for the shipbuilding industry and Navies. Giuseppe Bono was appointed Chairman and Hervé Guillou Member of the Board. On February 27, 2020, during the Naples franco-italian summit, the signed intergovernmental agreement reaffirms the full support of the French and Italian States to the joint venture. This agreement makes the long-term alliance launched by these two industrial Groups fully operational.

On January 24, 2020 Fincantieri and the Ministry of Defense of Qatar through Barzan Holding, a company wholly owned by the Qatari Ministry of Defense, signed a Memorandum of Understanding (MoU) in Doha, aimed at strengthening their strategic partnership through the evaluation and studies of new technologies and capabilities.

On February 24, 2020 Marakeb Technologies, a leading autonomous technology provider, and Fincantieri signed a Memorandum of Understanding in order to explore collaboration opportunities in the field of autonomous technology.

On March 6, 2020 Cassa Depositi e Prestiti, Eni and Fincantieri confirm their shared commitment on the energy transition path to decarbonisation and environmental sustainability: the companies signed a Memorandum of Understanding to develop joint circular economy projects to identify and implement technical solutions to confront the issue of marine litter, which affects the marine and coastal ecosystem due to floating plastic waste and micro plastics. This MoU has been signed with the aim of studying and developing technologies to collect the waste dispersed at sea and along the coast, in order to transform them into products for sustainable mobility and industrial uses.

On March 10, 2020 the new 100-meter maxi steel deck was raised. The deck, whose profile recalls the hull of a ship, as designed by Renzo Piano, was transported over the Polcevera stream.

On March 13, 2020 Fincantieri, following the Coronavirus emergency and in order to apply the measures that the Italian Government had gradually determined, decided to suspend production activities at the Italian sites of the Group from March 16 to March 29.

On March 26, 2020 Fincantieri, despite having already implemented all the necessary measures to ensure the safety of its employees, decided to further extend the work stoppage in all its production plants and offices

until the date indicated in the decree of the President of the Council of Ministers adopted on March 22nd. To this end, Fincantieri and the representatives of the national Trade Unions FIM – FIOM – UILM signed an agreement that sets forth the opportunity to apply for Ordinary Redundancy Fund for “COVID-19 Emergency”, at zero hours, for all employees of all Company sites. During the period of time covered by the Ordinary Redundancy Fund, all maintenance and safety activities and essential servicing of plants and facilities shall continue, as shall also all and management activities that are strictly necessary to fulfil the Company’s current obligations, adopting smart work solutions where applicable, and to carry out all activities that are preliminary to resuming production.

On April 28, 2020, the last steel span of the bridge over the Polcevera river was positioned at height in Genoa before the Prime Minister Giuseppe Conte, the Minister of Infrastructure and Transport Paola De Micheli, the Governor of the Liguria Region Giovanni Toti and the Mayor of Genoa and Commissioner for Reconstruction Marco Bucci.

On May 5, 2020, as part of the agreement for the promotion and financing of teaching experimental activities in the naval sector signed last November by the Chancellor of the University of Genoa, Paolo Comanducci, and Giuseppe Bono, CEO of the Fincantieri Group, the parties signed the agreements to launch four PhD projects, each lasting three years. The initiative envisages a total investment by Fincantieri of over euro 250,000 for the completion of the projects.

On May 19, 2020, Fincantieri announced that it had completed development of an innovative family of tunnel thrusters specifically dedicated to the cruise market, which establishes a new state of the art with respect to the specific requirements of the application including quietness, efficiency, reliability and environmental sustainability.

On June 3, 2020, the CEO of Eni, Claudio Descalzi, and the CEO of Fincantieri, Giuseppe Bono, signed a Memorandum of Understanding (MoU) that extends the Research and Development collaboration started between the two Italian companies in 2017.

On June 4, 2020, Naviris, a 50/50 joint venture between Fincantieri and Naval Group, signed its first R&T (Research and Technology) contract with OCCAR (European Organisation for Joint Armament Cooperation) for a program of 5 research projects, which will be the keystone for long-term cooperation between Fincantieri and Naval Group. Naviris, as prime contractor, will coordinate the technical activities entrusted to the two companies and will have the intellectual property resulting from the research developed.

On July 2, 2020 the Group, through its subsidiary Fincantieri NexTech, acquired a majority stake in Support Logistic Services S.r.l., a company based in Guidonia Montecelio (Rome), specializing in the construction, installation and maintenance of satellite communication systems, radar and radio communication systems, for naval and civil applications.

On July 22, 2020 Naviris signed a contract with OCCAR (European Organisation for Joint Armament Cooperation) regarding a feasibility study for the mid-life upgrade (MLU) of the four Horizon-class destroyers. Naviris will work closely with its industrial partners Fincantieri, Naval Group, Leonardo, Thales, Eurosam, MBDA and Sigen.

On August 4, 2020 Fincantieri and Saipem signed a Memorandum of Understanding (MoU) to promote the development of deep-seabed mining (DSM), i.e. the sustainable exploitation of deep-sea floors over 3,000 metres in depth. This agreement sets the ground for a strategic partnership aimed at developing and pursuing business opportunities in the field of designing, engineering, building and managing DSM systems.

On August 17, 2020 Fincantieri, through its subsidiary Marine Interiors S.p.A., finalized the lease of the naval branch of the company Metalsigma Tunesi S.p.A. The company, which is based in Milan, focuses on designing, refitting and delivering turnkey curtain walls, doors and windows, as well as innovative technical solutions for glass doors and windows for maritime applications.

On September 28, 2020 Fincantieri won first prize for Italy, in the Global Companies category, of the Most Innovative Knowledge Enterprise (MIKE) Award, one of most prestigious awards in the field of innovative enterprise. Representing Italy, the Group will participate in the global phase in London together with the other awarded companies.

On October 16, 2020 Fincantieri, Grimaldi and ITS Logistica Puglia jointly decided to set up a new educational program aimed at developing a new professional figure in the shipbuilding industry, namely the senior technician ("Tecnico Superiore") for the production and installation of on-board engine systems.

On October 21, 2020 Fincantieri, in close cooperation with the virology lab of the International Center for Genetic Engineering and Biotechnology, ICGEB, developed an innovative next-generation air sanitation system called "Safe Air", which will further significantly improve the quality and cleanliness of the air on board cruise ships. As part of its commitment to the health and safety of its guests and crew, MSC Cruises has been the first cruise operator to install this new and advanced technology on MSC Seashore, the first of the two "Seaside Evo" class ships.

On October 27, 2020 Fincantieri signed a Memorandum of understanding (MoU) with Cochin Shipyard Limited (CSL), the leading shipbuilder in India. With this agreement, Fincantieri enhances its presence in the country, providing further momentum to the long-standing partnership with the governmental group CSL, which owns facilities both on the East and West coast of India.

On November 10, 2020 the beginning of hull erection works, as well as the coin ceremony of the first cruise ship that Shanghai Waigaoqiao Shipbuilding Co. Ltd (SWS), subsidiary of China State Shipbuilding Corporation (CSSC), is building for CSSC Carnival Cruise Shipping Limited, joint venture between Carnival Corporation and CSSC, took place at the Shanghai shipyard. The joint venture will also be in charge of operating the unit.

On November 13, 2020 Fincantieri, through its subsidiary Fincantieri Infrastructure, announced its intention to take over INSO - Sistemi per le Infrastrutture Sociali, and its subsidiary SOF, part of the Condotte Group, in extraordinary administration since 2018. The operation will be completed following the Ministry of Economic Develoement authorization to the officers in charge of the extraordinary administration.

On November 18, 2020 "Star Breeze", the ship marking the beginning of the extension and modernization Star Plus Initiative project of Windstar Cruises, one of the main operators in the field of high-end small ship cruises, was delivered at the Fincantieri shipyard in Palermo.

On November 24, 2020 Fincantieri signed a letter of intent (LoI) with the Ministry of Economic Development and Labour of the Yucatán State (Mexico) to participate in the design and construction of a new ship repair, conversions and maintenance yard. Fincantieri will be granted a 40-year concession for the exclusive management of the new yard.

On November 25, 2020 Fincantieri and Federpesca (the Italian National Association of Fishing Enterprises) signed in Rome a Memorandum of Understanding to promote the renewal of the Italian fishing fleet. Fincantieri will be the project leader within the aforementioned partnership, which will also be open to other selected businesses of the industry.

On November 25, 2020 Fincantieri was awarded the 2020 “Oscar di Bilancio” financial communication award, the long-standing prize promoted and organized by FERPI (Italian Federation of Public Relations), which, for over fifty years, has awarded the most virtuous companies in the field of financial reporting and relations with stakeholders. The award has always represented a significant milestone for professionals operating within the economic and financial sector as well as in the field of market communications.

On December 2, 2020 Fincantieri introduced an innovative family of tunnel thrusters by establishing a new state of the art in terms of comfort, reliability, environmental sustainability and energy efficiency. A leading maritime classification society validated and certified the results of the hydrodynamic optimization, confirming that Fincantieri thrusters reach the lowest levels of vibrations and noise available on the market, capable of satisfying even the needs of the most demanding segments. A cutting edge patented system of tunnel closure elements (thruster shutters) ensures a significant reduction in terms of hull drag and total required propulsion power, with a fuel saving between 5% and 10%.

On December 9, 2020 a major independent non-profit organization for environmental reporting, previously known as Carbon Closure Project, today CDP, scored Fincantieri A- for the activities carried out in the past year, moving the company up from its 2019 ‘B’ score. Hence the Group enters the highest-merit range (in a scale from a minimum of ‘D’ to a maximum of ‘A’), thus confirming its leadership position also within the fight against climate change.

Key events after December 31, 2020

On January 25, 2021 Naviris, the 50/50 owned joint venture by Fincantieri and Naval Group, was officially awarded the ISO 9001:2015 and AQAP 2110 certifications by Lloyd’s Register, in accordance with NATO complementary regulation for major defense contractors. These certifications are a further step towards the development of the joint venture, whose purpose is to manage export and cooperation programs for surface ship as well as naval R&D projects.

On February 3, 2021 Fincantieri officially started its activities within the SEA Defence project, which had been selected within the European Defense Industrial Development Programme (EDIDP 2019) and had started last December. The EDIDP, which paves the way for the European Defence Fund, focuses on strengthening the European defence technological and industrial base, as well as on increasing the EU’s autonomy and technological leadership.

On February 8, 2021 Fincantieri, through its subsidiary E-phors, specialized in providing cybersecurity services and products, started providing a pivotal training course in partnership with the Italian Shipping Academy, aimed at introducing deck officers to the basics of cybersecurity.

On February 11, 2021 NAVIRIS, the 50/50 owned joint venture by Fincantieri and Naval Group in charge of development of cooperation programs, and NAVANTIA signed a Memorandum of Understanding (MoU) aimed at enlarging the industrial cooperation for the European Patrol Corvette (EPC) program, the most important naval initiative within the Permanent Structured Cooperation (PESCO) project.

On February 18, 2021, Vard, one of the major global shipbuilders of specialized vessels, announced that it will design a cable repair vessel for the French company Orange Marine, leader in undersea telecommunications, which selected the Fincantieri subsidiary project.

CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO LEGISLATIVE DECREE NO. 254/2016

The Board of Directors approved the **Sustainability Report 2020**, pursuant to Legislative Decree No. 254/2016.

The Sustainability Report provides a transparent and detailed account of the results achieved both socially and environmentally, highlighting the Group's commitment to sustainable development. During 2020, amid the COVID-19 pandemic, the Group was committed to safeguarding the interests of all its stakeholders. On March 16, 2020, Fincantieri voluntarily suspended production activities at all its Italian sites and production plants, ahead of governmental provisions. To protect its workers, the Company adopted strict health and safety protocols, that were effective to contain contagion at about 4%. Moreover, several projects have been developed to improve safety on board, including a new air sanitation system. The Group was able leverage its competences and soundness to fully preserve its backlog, as well as to avoid any order cancellations. Deliveries have been rescheduled thanks to the ongoing dialogue with shipowners.

In support of the communities and territories where the Group operates, donations were made in favor of the Civil Protection, health facilities and other charitable associations. Reverse factoring agreements have been strengthened to facilitate access to credit for suppliers.

During 2020, important objectives of the Sustainability Plan were achieved, including Fincantieri S.p.A. obtaining the ISO 37001 certification - Anti-bribery management systems. In the environmental field, 100% of the electricity used by Italian production sites and companies, as well as by Romanian shipyards, was purchased from renewable sources certified with Guarantee of Origin (GO).

The Group's commitment to sustainability was recognized and awarded by several independent bodies: CDP – Carbon Disclosure Project, leading organization for the fight against climate change, scored us 'A-' for our commitment against Climate Change, and 'A' within the Supplier Engagement Rating (SER). Moreover, the Group was confirmed in the highest range, namely "Advanced", within the Vigeo Eiris ranking.

Fincantieri's Sustainability Report 2020 will be made available to the public in the terms and modalities laid down in the current legislation.

ORDINARY SHAREHOLDERS' MEETING 2021

The Board of Directors decided to convene a Shareholders' Meeting on April 8, 2021 in a single call, to discuss and resolve upon the following: approval of the financial statements at December 31, 2020; approval of allocation of the annual financial result; approval of a stock grant plan for top management, called "Performance Share Plan 2022-2024" (the "Plan"); authorization to purchase and to dispose of the Company's treasury shares upon revocation of the authorization resolved at the previous Shareholders' Meeting; and Report on the policy regarding remuneration and fees paid according to Article 123-ter, paragraphs 3-bis and 6 of the Legislative Decree No. 58/1998 (the Italian Consolidated Financial Act).

The Board of Directors also approved the "Illustrative Reports" on the single topics in the Shareholders' Meeting agenda.

The Notice of call of the Shareholders' Meeting and the documentation related to the items on the agenda, including the Report on Corporate Governance and Ownership Structure and the Report on the policy regarding remuneration and fees paid, will be made available to the public as laid down by regulations in force.

Approval of Financial statements

Concerning the Financial statements as at December 31, 2020 of Fincantieri S.p.A. the Board of Directors resolved to propose to the Shareholders' Meeting its approval, which recorded a net profit of euro 963,328.57.

Approval of the allocation of the annual financial result

Concerning net results recorded by the Financial statements as at December 31, 2020, which was euro 963,328.57, the Board of Directors resolved to propose to the Shareholders' Meeting the allocation of the net profit as following:

- for 5% of net profit to the Legal reserve for euro 48,166.43
- for remaining portion to the Extraordinary reserve, for euro 915,162.14

The Board of Directors will not propose to the Shareholders' Meeting to distribute dividends for 2020.

Performance Share Plan 2022-2024

The Board of Directors resolved to submit the Performance Share Plan 2022-2024 for approval to the Ordinary Shareholders' Meeting, pursuant to Article 114-*bis* of the Italian Consolidated Financial Act and of Article 84-*bis* of Consob Regulation No. 11971 of May 14, 1999, with a continuity-based approach with the previous Performance Share Plan 2019-2021.

In doing so, the Company intends to demonstrate its intention to strongly incentivize and retain its management, with the aim of motivating its performance within Fincantieri and the achievement of strategic objectives.

The Plan, structured on three cycles each lasting three years, provides for the free granting, to up to 72 beneficiaries, of a maximum of 64,000,000 Fincantieri ordinary shares without nominal value, subject to the achievement of specific performance targets related to the three-year periods 2022-2024 (first cycle), 2023-2025 (second cycle) and 2024-2026 (third cycle).

The beneficiaries can be identified by the Board of Directors, having heard the opinion of the Remuneration Committee, within the following categories: the Chairman of the Board of Directors if given by the Board of Directors executive powers, the Chief Executive Officer, and, as proposed by the Chief Executive Officer, among the following subjects: the General Manager, Executives with Strategic Responsibilities, other Key Executives and other key resources of the Group.

The main objectives of the Plan are the following: (i) improving the alignment of the interests of the beneficiaries to those of the shareholders by way of connecting management remuneration to specific performance objectives, whose attainment is strictly connected to the improvement of the Company's performance and the growth in its value over the long term, as well as to combine the Company's economic and financial performance with sustainability goals, and (ii) supporting the retention of key resources, aligning the remuneration policy of Fincantieri to the market best practices that typically provide long term incentive instruments.

For the first cycle (2022-2024) the performance targets are (i) EBITDA; (ii) Total Shareholder Return ("TSR") compared to the index FTSE *Italia All Share* (modified by excluding companies that operate exclusively or mainly in banking, insurance or asset management) and to a specifically identified international Peers group; and (iii) Sustainability Index, which measures the achievement of the sustainability objectives which the Company has, combined and/or in addition to those of the financial economic performance, in order to align

itself to European best practices and to the increasingly growing expectations of the financial community on sustainable development.

The performance targets for the second and third cycle will be identified by the Board of Directors, on a proposal from the Remuneration Committee, at the moment of the assignment of the related entitlements.

The Plan provides for all beneficiaries at least three-year vesting period and, for beneficiaries which are Board Directors and Executives with Strategic Responsibilities, a lock-up period on a number of shares at least equal to 51% of the total shares delivered on a period of two years from the date of the delivery. The Plan also provides for claw-back clauses.

The Plan foresees the attribution of shares to beneficiaries, through the distribution of treasury shares purchased according to Articles 2357 and 2357-ter of the Italian Civil Code or through the free attribution of ordinary shares issued according to Article 2349 of the Italian Civil Code alternatively and at the discretion of the Board of Directors, considering the specific requirements for the implementation of the Plan itself.

Further information regarding the Plan will be included in the Information Document prepared in accordance to Article 84-bis of Consob Regulation No. 11971 of May 14, 1999 that will be made available to the public within the terms laid down by the regulations in force.

Authorization to purchase and dispose of treasury shares

The Board of Directors also resolved to submit the Ordinary Shareholders' Meeting the proposal for the authorization to purchase and dispose of treasury shares, following the revocation of the previous authorization granted by the Shareholder's Meeting on June 9, 2020 that has not been used until today and that would expire on December 9, 2021.

The authorization to purchase and dispose of treasury shares is for the following purposes: (i) to service share-based incentive plans approved by the Company and/or by its subsidiaries; (ii) to fulfil the obligations deriving from debt instruments that are convertible into ordinary shares; (iii) to support the market liquidity; (iv) to build a securities portfolio in order to sell, dispose, and/or utilize treasury shares in extraordinary transactions, in line with the strategic initiatives that the Company intends to pursue; (v) to operate in the market with a medium and long term investment perspective, also in order to build long-term shareholdings or in the context of initiatives related to the current operations, or again to lower the average cost of equity of the Company or to seize the opportunities to maximize the stock value that can derive from market trends

The authorization to purchase treasury shares is requested for a period of 18 months from the date of the corresponding Shareholder's Meeting resolution and for a maximum amount of shares not exceeding one fifth of the share capital of the Company, or to the different amount defined by the applicable law. The authorization to dispose of treasury shares is requested without time limits.

The purchase of such shares shall be carried out in accordance with the terms and conditions laid down by the applicable regulations, and accepted market practice. In particular the share purchases shall be made at a price within a +/-10% range limit compared to the reference share price recorded on the Italian stock market (Mercato Telematico Azionario - MTA) organized and managed by Borsa Italiana S.p.A. on the trading session preceding each single transaction.

As today, the Company holds a total of 4,540,441 ordinary shares, equal to approximately 0.27% of the total number of shares issued. The Company's subsidiaries do not hold Fincantieri shares.

The details of the proposal related to the authorization to purchase and dispose of treasury shares are contained in the Explanatory Report by the Board of Directors in accordance with Article 125-ter of the Italian Consolidated Financial Act and of the Article 73 of Consob Regulation No. 11971 of May 14, 1999 that will be made available to the public within the terms laid down by the regulations in force.

* * *

The Manager Responsible for Preparing Financial Reports, Felice Bonavolontà, declares, pursuant to paragraph 2 of article 154 bis of Italian Legislative Decree no. 58 dated February 24, 1998, that the information contained in this press release corresponds to the underlying documentary and accounting books and records.

* * *

This press release is available to the public at the Company's registered office and on its website (www.fincantieri.com) under "Investor Relations – Price Sensitive Press Releases" and on the centralized storage of regulated information denominated eMarket STORAGE, available at the website www.emarketstorage.com.

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DISCLAIMER

Forecast data and information must be regarded as forward-looking statements and therefore, not being based on simple historical facts, contain, by their nature, an element of risk and uncertainty because they also depend on the occurrence of future events and developments outside the Company's control. Actual results could therefore be materially different from those expressed in forward-looking statements. Forward-looking statements refer to the information available at the date of their publication; Fincantieri S.p.A. reserves the right to communicate any changes in its forward-looking data and information within the time and in the manner required by law.

* * *

The financial results for 2020 full year will be presented to the financial community during a conference call scheduled for Friday February 26, 2021 at 9:00 CET.

To take part in the conference call, it is necessary to choose one of the alternatives below:

Access to audio webcast through the following [link](#).

For the Diamond Pass: please click [here](#) to sign in and get your personal access code.

Alternatively, please dial-in the following numbers:

Italy +39 028020911

United Kingdom +44 1212818004

United States +1 7187058796

*Hong Kong +852 58080984 then press *0*

The slide presentation will be available before the start of the conference in the Investor Relations section of the website www.fincantieri.com.

* * *

Attachments: Financial statements, not subject to audit by the Independent Audit Firm

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Fincantieri is one of the world's largest shipbuilding groups, global Italian leader in cruise ship design, reference player in all high-tech shipbuilding industry sectors, from naval to offshore vessels, from high-complexity ferries to mega yachts, as well as production of systems and component equipment for mechanical and electrical segments, from cruise ship interiors solutions, electronic and software systems, to infrastructures and maritime constructions, as well as after-sales services.

With over 230 years of history and more than 7,000 ships built, Fincantieri maintains its know-how, expertise and management centres in Italy, here employing 10,000 workers and creating around 90,000 jobs, which double worldwide thanks to a production network of 18 shipyards operating in four continents and with over 20,000 employees.

The Group's clients include the biggest cruise operators, being exclusive supplier for the Italian Navy and reference partner for the US Navy, as well as numerous foreign navies. Fincantieri also plays a key role in some of the main European defence companies within supranational programs.

Fincantieri's main strategic leverage is expanding its competences and skills. This key element allows the company to successfully operate in its core business, as well as in different high value-added sectors and markets in terms of organizational structure, management of complexity, innovation, and sustainability.

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APPENDICES

Presented below are the reclassified consolidated versions of the income statement, statement of financial position and statement of cash flows and the breakdown of consolidated net financial position, used by management to monitor business performance.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(Euro/million)	31.12.2020 Excluding pass-through activities	31.12.2020	31.12.2019
Revenue and income	5,191	5,879	5,849
Materials, services and other costs	(3,925)	(4,613)	(4,497)
Personnel costs	(917)	(917)	(996)
Provisions	(35)	(35)	(36)
EBITDA	314	314	320
EBITDA margin	6.1%	5.3%	5.5%
Depreciation, amortization and impairment	(166)	(166)	(167)
EBIT	148	148	153
EBIT margin	2.9%	2.5%	2.6%
Finance income/(costs)		(131)	(134)
Income/(expenses) from investments		(13)	(3)
Income taxes		(46)	(87)
Profit/(loss) before extraordinary and non-recurring income and expenses		(42)	(71)
<i>of which attributable to Group</i>		<i>(37)</i>	<i>(64)</i>
Extraordinary and non-recurring income and expenses		(258)	(67)
Tax effect of extraordinary and non-recurring income and expenses		55	14
Profit/(Loss) of continued operations		(245)	(124)
<i>of which attributable to Group</i>		<i>(240)</i>	<i>(117)</i>
Profit/(Loss) of discontinued operations		-	(24)
Profit/(Loss) for the period		(245)	(148)
<i>of which attributable to Group</i>		<i>(240)</i>	<i>(141)</i>

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro/million)	31.12.2020	31.12.2019
Intangible assets	629	654
Rights of use	85	90
Property, plant and equipment	1,301	1,225
Investments	105	75
Other non-current assets and liabilities	(25)	(79)
Employee benefits	(60)	(60)
Net fixed capital	2,035	1,905
Inventories and advances	881	828
Construction contracts and client advances	1,963	1,415
Construction loans	(1,325)	(811)
Trade receivables	602	677
Trade payables	(2,361)	(2,270)
Provisions for risks and charges	(73)	(89)
Other current assets and liabilities	111	125
Net working capital	(202)	(125)
Net assets/ (liabilities) to be sold and discontinued operations	6	6
Net invested capital	1,839	1,786
Share capital	863	863
Reserves and retained earnings attributable to the Group	(101)	156
Non-controlling interests in equity	15	31
Equity	777	1,050
Net financial position	1,062	736
Sources of funding	1,839	1,786

RECLASSIFIED CONSOLIDATED STATEMENT OF CASH FLOWS

(Euro/million)	31.12.2020	31.12.2019
Net cash flows from operating activities	(14)	209
Net cash flows from discontinued operations		(22)
Net cash flows from investing activities	(376)	(322)
Net cash flows from financing activities	1,291	(161)
Net cash flows for the period	901	(296)
Cash and cash equivalents at beginning of period	382	677
Effects of currency translation difference on opening cash and cash equivalents	(8)	1
Cash and cash equivalents at end of period	1,275	382

CONSOLIDATED NET FINANCIAL POSITION

(Euro/million)	31.12.2020	31.12.2019
Cash and cash equivalents	1,275	382
Current financial receivables	76	2
Current bank debt	(130)	(163)
Bonds and commercial papers – current portion	(100)	(75)
Current portion of bank loans and credit facilities	(122)	(143)
Other current financial liabilities	(23)	(18)
Current debt	(375)	(399)
Net current cash/(debt)	976	(15)
Non-current financial receivables	96	91
Non-current bank debt	(2,034)	(730)
Bonds – non-current portion	-	-
Other non-current financial liabilities	(100)	(82)
Non-current debt	(2,134)	(812)
Net financial position	(1,062)	(736)

EXCHANGE RATES

The exchange rates used to translate the financial statements of Group companies with a "functional currency" other than the Euro are as follows:

	2020		2019	
	Average	Spot	Average	Spot
US Dollar (USD)	1.1422	1.2271	1.1195	1.1234
Australian Dollar (AUD)	1.6549	1.5896	1.6109	1.5995
UAE Dirham (AED)	4.1947	4.5065	4.1113	4.1257
Brazilian Real (BRL)	5.8943	6.3735	4.4134	4.5157
Norwegian Krone (NOK)	10.7228	10.4703	9.8511	9.8638
Indian Rupee (INR)	84.6392	89.6605	78.8361	80.1870
Romanian Leu (RON)	4.8383	4.8683	4.7453	4.7830
Chinese Yuan (CNY)	7.8747	8.0225	7.7355	7.8205
Swedish Krona (SEK)	10.4848	10.0343	10.5891	10.4468

ALTERNATIVE PERFORMANCE MEASURES

Fincantieri's management reviews the performance of the Group and its business segments also using certain nonGAAP measures not defined under IFRS. In particular, EBITDA is used as the main earnings indicator, as

it enables the Group's underlying profitability to be assessed, by eliminating the impact of volatility associated with non-recurring items or extraordinary items outside the ordinary course of business.

As required by Consob Communication no. 0092543 of December 3, 2015 which implements the ESMA Guidelines on Alternative Performance Measures (document no. ESMA/2015/1415), the components of each of these measures are described below:

- EBITDA: this is equal to earnings before taxes, before finance income and costs, before income and expenses from investments and before depreciation, amortization and impairment, as reported in the financial statements, adjusted to exclude the following items:
 - provisions for costs and legal expenses associated with lawsuits brought by employees for asbestos-related damages;
 - charges connected to the impacts of COVID-19 outbreak;
 - costs relating to reorganization plans and non-recurring other personnel costs;
 - other expenses or income outside the ordinary course of business due to particularly significant non-recurring events.
- EBIT: this is equal to EBITDA after deducting recurring depreciation, amortization and impairment (this excludes impairment of goodwill, intangible assets and property, plant and equipment recognized as a result of impairment tests).
- Profit/(loss) before extraordinary and non-recurring income and expenses: this is equal to profit/(loss) for the period before adjustments for non-recurring items or those outside the ordinary course of business, which are reported before the related tax effect
- Net fixed capital: this reports the fixed assets used in the business and includes the following items: Intangible assets, Rights of use, Property, plant and equipment, Investments and Other non-current assets (including the fair value of derivatives classified in non-current Financial assets and non-current Financial liabilities) net of Employee benefits.
- Net working capital: this is equal to capital employed in ordinary operations, which includes Inventories and advances, Construction contracts and client advances, Construction loans, Trade receivables, Trade payables, Provisions for risks and charges, and Other current assets and liabilities (including Income tax assets, Income tax liabilities, Deferred tax assets and Deferred tax liabilities, as well as the fair value of derivatives classified in current Financial assets and current Financial liabilities).
- Net invested capital: this is equal to the total of Net fixed capital, Net working capital, and Net assets/(liabilities) to be sold and discontinued operations
- The Net financial position monitored by management includes:
 - Net current cash/(debt): cash and cash equivalents, held-for-trading securities, current financial receivables, current bank debt (excluding construction loans), current portion of long-term loans and credit facilities, other current financial liabilities;
 - Net non-current cash/(debt): non-current financial receivables, non-current bank debt, bonds, other non-current financial liabilities.
- ROI (Return on investment) is calculated as the ratio between EBIT and the arithmetic mean of Net invested capital at the beginning and end of the reporting period.

- ROE (Return on equity) is calculated as the ratio between Profit/(loss) for the period and the arithmetic mean of Total Equity at the beginning and end of the reporting period.
- Total debt/Total equity: this is calculated as the ratio between Total debt and Total equity.
- Net financial position/EBITDA: this is calculated by the Group as the ratio between the Net financial position, as monitored by the Group, and EBITDA.
- Net financial position/Total equity: this is calculated as the ratio between the Net financial position, as monitored by the Group, and Total equity.
- Revenue and income excluding pass-through activities: Revenue and income excluding the portion relating to sale contracts with pass-through activities, whose value is exactly offset by the corresponding cost; pass-through activities are defined as contracts whose value is entirely invoiced by the Group to the final client, but whose construction activities are not managed directly by the Group.
- Provisions: these refer to increases in the Provisions for risks and charges, and impairment of Trade receivables and Other non-current and current assets

For a more detailed description of the alternative performance measures, please refer to the specific note within the Fincantieri Group's report on operations forming part of the Group Annual Report 2020 and to the First-Half Year Report 2020.

The following tables reconcile the amounts presented in the reclassified statements with those presented in the mandatory IFRS statements.

CONSOLIDATED INCOME STATEMENT

(Euro/million)	31.12.2020		31.12.2019	
	Amounts in IFRS statement	Amounts in reclassified statement	Amounts in IFRS statement	Amounts in reclassified statement
A – Revenue		5,879		5,849
Operating revenues	5,782		5,775	
Other revenue and income	97		74	
B – Materials, services and other costs		(4,613)		(4,497)
Materials, services and other costs	(4,727)		(4,520)	
Recl. to I – Extraordinary and non-recurring income and (expenses)	114		23	
C – Personnel costs		(917)		(996)
Personnel costs	(986)		(1,000)	
Recl. to I – Extraordinary and non-recurring income and (expenses)	69		4	
D – Provisions		(35)		(36)
Provisions	(80)		(75)	
Recl. to I – Extraordinary and non-recurring income and (expenses)	45		39	
E – Depreciation, amortization and impairment		(166)		(167)
Depreciation, amortization and impairment	(187)		(168)	
Recl. to I – Extraordinary and non-recurring income and (expenses)	21		1	
F – Finance income and (costs)		(131)		(134)
Finance income and (costs)	(140)		(134)	
Recl. to I – Extraordinary and non-recurring income and (expenses)	9			
G – Income/(expenses) from investments		(13)		(3)
Income/(expenses) from investments	(13)		(3)	
Recl. to I – Extraordinary and non-recurring income and (expenses)				
H – Income taxes		(46)		(87)
Income taxes	9		(73)	
Recl. to L – Tax effect of extraordinary and non-recurring expenses	(55)		(14)	
I – Extraordinary and non-recurring income and expenses		(258)		(67)
Recl. from B – Materials, services and other costs	(114)		(23)	
Recl. from C – Personnel costs	(69)		(4)	
Recl. from D – Provisions	(45)		(39)	
Recl. from E – Depreciation, amortization and impairment	(21)		(1)	
Recl. from F – Finance income and (costs)	(9)			
Recl. from G – Income / (expenses) from investments				
L – Tax effect of extraordinary and non-recurring income and expenses		55		14
Recl. from H – Income taxes	55		14	
M – Profit/(Loss) of continued operations		(245)		(124)
N – Profit/(Loss) of discontinued operations				(24)
Profit/(Loss) of discontinued operations			(24)	
Profit/(Loss) for the year		(245)		(148)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro/million)	31.12.2020		31.12.2019	
	Amounts in IFRS statement	Amounts in reclassified statement	Amounts in IFRS statement	Amounts in reclassified statement
A) Intangible assets		629		654
<i>Intangible assets</i>	629		654	
B) Rights of use		85		90
<i>Rights of use</i>	85		90	
C) Property, plant and equipment		1,301		1,225
<i>Property, plant and equipment</i>	1,301		1,225	
D) Investments		105		75
<i>Investments</i>	105		75	
E) Other non-current assets and liabilities		(25)		(79)
<i>Derivative assets</i>	4		2	
<i>Other non-current assets</i>	27		16	
<i>Other liabilities</i>	(39)		(66)	
<i>Derivative liabilities</i>	(17)		(31)	
F) Employee benefits		(60)		(60)
<i>Employee benefits</i>	(60)		(60)	
G) Inventories and advances		881		828
<i>Inventories and advances</i>	881		828	
H) Construction contracts and client advances		1,963		1,415
<i>Construction contracts – assets</i>	3,124		2,698	
<i>Construction contracts - liabilities and client advances</i>	(1,161)		(1,283)	
I) Construction loans		(1,325)		(811)
<i>Construction loans</i>	(1,325)		(811)	
L) Trade receivables		602		677
<i>Trade receivables and other current assets</i>	982		1,079	
<i>Recl. to O – Other assets</i>	(380)		(402)	
M) Trade payables		(2,361)		(2,270)
<i>Trade payables and other current liabilities</i>	(2,627)		(2,552)	
<i>Recl. To O – Other liabilities</i>	266		282	
N) Provisions for risks and charges		(73)		(89)
<i>Provisions for risks and charges</i>	(73)		(89)	
O) Other current assets and liabilities		111		125
<i>Deferred tax assets</i>	78		99	
<i>Income tax assets</i>	12		9	
<i>Derivative assets</i>	10		2	
<i>Recl. from L – Other current assets</i>	380		402	
<i>Deferred tax liabilities</i>	(51)		(54)	
<i>Income tax liabilities</i>	(7)		(7)	
<i>Derivative liabilities and option fair value</i>	(45)		(44)	
<i>Recl. from M – Other current liabilities</i>	(266)		(282)	
P) Net assets/ (liabilities) to be sold and discontinued operations		6		6
NET INVESTED CAPITAL		1,839		1,786
Q) Equity		777		1,050
R) Net financial position		1,062		736
SOURCES OF FUNDING		1,839		1,786

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