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Independent auditors' report on the price of the shares issued as part of the capital increase without rights of first refusal pursuant to article 2441.5/6 of the Italian Civil Code and article 158.1 of Legislative decree no. 58/98

*To the shareholders of
Saipem S.p.A.*

1 Engagement scope and purpose

In the context of the proposal for a capital increase without rights of first refusal pursuant to article 2441.5/6 of the Italian Civil Code and article 158.1 of Legislative decree no. 58/98 (the Consolidated Financial Intermediation Act, "TUIF"), Saipem S.p.A. ("Saipem" or the "company") provided us with the report prepared by the board of directors (the "directors") pursuant to article 2441.6 of the Italian Civil Code dated 25 October 2023 that describes and explains its proposal for a capital increase with the without rights of first refusal, setting out the methods adopted by the directors to determine the price of the new shares (the "report").

As described in their report, the directors' proposal envisages an increase in Saipem's share capital (the "transaction" or the "capital increase") to service the equity-linked bonds with a nominal amount of €500,000,000.00 (five hundred million/00), maturing on 11 September 2029, reserved for qualified investors, named "€500,000,000 Senior Unsecured Guaranteed Equity-linked bonds due 2029" and issued on 11 September 2023 (the "bonds"). The capital increase shall be carried out against consideration and in one or more instalments, without the rights of first refusal pursuant to article 2441.5 of the Italian Civil Code, for a maximum of €500,000,000.00 (five hundred million/00), including any share premium, by issuing new Saipem ordinary shares (the "shares") with the same characteristics as the outstanding ordinary shares.

In their report, the directors explained the reasons for the exclusion of the rights of first refusal (see paragraph 2 "Overview").

The above proposal for the capital increase will be presented to the shareholders for their approval during the extraordinary meeting called for 13 December 2023.

In this context, the directors engaged us to express an opinion, pursuant to article 2441.5/6 of the Italian Civil Code and article 158.1 of the TUIF, on the suitability of the methods adopted by the directors to determine the issue price of the new Saipem shares.



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2 Overview

According to the report, the transaction is linked to the issue of the bonds reserved solely for qualified investors, as defined by article 2.1.e of Regulation (EU) 2017/1129, in the European Economic Area, and foreign institutional investors, outside the United States of America pursuant to Regulation S of the Securities Act of 1933, excluding, in any event, any placement with the general public and offerings in countries and jurisdictions where the offering or placement of the bonds would be prohibited and/or otherwise subject to specific authorisations (the “institutional investors”).

The directors approved the bond issue and its main terms and characteristics on 30 August 2023. The bonds were placed on 30 and 31 August 2023 and the transaction’s pricing was defined on 31 August 2023 by the company’s managing director and CEO. The bonds were issued and paid for on 11 September 2023.

The bond offering to institutional investors allowed the company to raise funds on the capital market on a timely basis, benefitting from the opportunities offered by the favourable market conditions and the placement terms due to the equity-linked characteristics of the bond issue. Saipem’s directors believe that the bonds were issued in the interests of the company, which was thus able to raise medium-term funds on the capital market at favourable conditions.

The bond issue, the capital increase and the approval of the bonds’ convertibility constitute a single transaction, aimed at obtaining financial resources from the capital market in a short timeframe and at convenient conditions (in terms of cost and maturity).

To complete the transaction, the directors deem it necessary to have the capital increase approved.

They believe that the convertible bond issue and the consequent exclusion of the rights of first refusal meet the company’s interests pursuant to article 2441.5/6 of the Italian Civil Code for the following reasons:

- the decision to reserve the subscription of the bonds solely for the institutional investors, excluding the shareholders’ rights of first refusal in the subsequent capital increase, is due to the high level of complexity and the characteristics of the equity-linked bonds, which are unsuitable for a retail market (and, thus, for a general offer to all of the company’s shareholders). Placing equity-linked bonds with their particular structure and characteristics, which are offered, inter alia, in denominations of €100,000.00 (one hundred thousand/00), solely with institutional investors is an effective means of raising non-banking financial resources at particularly convenient conditions. This meets the company’s current needs and allows for an improvement in its financial position and related costs, which would not otherwise be obtainable (and, in particular, it would not be obtainable offering traditional convertible bonds to shareholders first);
- the issuance and placement of equity-linked bonds is a transaction with specific terms and a very short timeframe, which does not allow for offering rights of first refusal or a public placement, as these would entail more onerous procedures for the company, longer execution times, higher costs and greater implementation risks;
- the approval of the capital increase and the consequent opportunity to convert the bonds implies the company would not have to redeem the bonds, thereby potentially stabilising the resources that the company raised through the bond issue;
- the bonds’ possible conversion and the related share issue will enable the company to (i) strengthen its equity structure and diversify its financial structure, while concurrently containing its cash outflows when the bonds are due for redemption and (ii) expand its shareholding structure.



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Accordingly, Saipem's directors hold that excluding the rights of first refusal pursuant to article 2441.5 of the Italian Civil Code is fully justified by the characteristics, timeframe and purpose of the bond issue.

Main characteristics of the bond issue

In accordance with the directors' resolution of 25 October 2023 and the bond indenture, the bonds have the following characteristics:

- **Nature:** equity-linked bonds convertible into new Saipem ordinary shares with the same characteristics as the outstanding ordinary shares, subject to the shareholders' authorisation (to be obtained in an extraordinary meeting) of their convertibility and approval of a capital increase servicing their conversion with the exclusion of their rights of first approval, as specified herein.
- **Nominal amount:** €500,000,000.00 (five hundred million/00).
- **Term:** six years, maturing on 11 September 2029.
- **Unit denomination:** €100,000.00 (one hundred thousand/00).
- **Recipients:** qualified investors, as defined by article 2.1.e of Regulation (EU) 2017/1129, in the European Economic Area and foreign institutional investors, outside the United States of America pursuant to Regulation S of the Securities Act of 1933, excluding, in any event, any placement with the general public and offerings in countries and jurisdictions where the offering or placement of the bonds would be prohibited and/or otherwise subject to specific authorisations.
- **Listing:** Vienna MTF managed by the Vienna Stock Exchange.
- **Guarantees:** the bonds are not secured by collateral, but they are guaranteed as follows: (A) within the long-stop date, by (i) Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal LDA, (ii) Saipem S.A., (iii) Servizi Energia Italia S.p.A., (iv) Global Projects Services A.G. (formerly Global Petroprojects Services A.G.), (v) Saipem Contracting Netherlands B.V., (vi) Sofresid S.A., (vii) Saipem Drilling Norway A.S., (viii) Saipem Contracting Nigeria Ltd and (ix) Saipem Luxembourg S.A. (together, the "guarantors") and (B) by any additional group companies that may be required to guarantee the equity-linked bonds pursuant to the bond indenture (the "additional guarantors"), provided that, under the bond indenture, such personal guarantees may cease to exist upon the occurrence of certain conditions.
- **Issue price:** 100% (one hundred per cent) of the nominal amount.
- **Interest rate:** 2.875% (two point eight seven five per cent).
- **Redemption price:** 100% (one hundred per cent) of the nominal amount.
- **Initial conversion price:** €2.0487 (two point zero four eight seven) per new share, subject to any price adjustments.
- **Possible conversion:** the bond indenture stipulates the terms of the conversion of the equity-linked bonds into new shares, which is only possible if the capital increase is approved by the shareholders during an extraordinary meeting to be held before 31 March 2024 (the "long-stop date").
- **Adjustments to the conversion price:** under the bond indenture, the initial conversion price is subject to adjustments in line with market practice for similar transactions, following every dividend distribution, of any amount, approved after the end of the placement period.



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- **Principal redemption:** bullet repayment in cash of 100% (one hundred per cent) of the nominal amount at the bonds' maturity date. The company may redeem the bonds in advance and in full at their nominal amount, plus any interest accrued at the redemption date (excluded), if:
 - (i) as of a specific date identified in the bond indenture, the bonds' parity value exceeds 130% (one hundred and thirty per cent) of the bonds' nominal amount for the number of days specified by the bond indenture (issuer call);
 - (ii) the balance of all remaining outstanding bonds falls below 15% (fifteen per cent) of the total bonds' nominal amount (clean up call);
 - (iii) a capital increase is not approved for an amount equal to the higher of: (x) 102% (one hundred and two per cent) of the bonds' nominal amount, plus any interest accrued at the redemption date (excluded) and (y) 102% (one hundred and two per cent) of the fair bond value (as defined in the bond indenture), together with any interest accrued at the redemption date (excluded), calculated by an independent party on the basis of the bonds' average closing price of the five days of open market subsequent to the day on which the company announces its intention to redeem all the bonds in advance; however, should the company not intend to avail of this option, the bonds will continue to exist and any conversions requested by the bondholders will be settled in cash during the settlement period on the basis of the underlying shares' value calculated using the specific formulae specified in the bond indenture (cash settlement amount);
 - (iv) in connection with the payments due, the company has to cover the taxes due by the bondholders as a result of changes in tax law (tax call).

Moreover, in the event of a change of control over the company or if the company's float falls below a certain threshold for a certain number of market days (free float event), the bondholders will be entitled to (i) request the redemption of all or part of their bonds at their nominal amount or, as an alternative, (ii) convert their bonds at a (new) conversion price temporarily amended on the basis of a specific formula, according to the terms and methods identified in the bond indenture.

The bondholders will also be entitled to exercise a put option for all or part of their bonds if the guarantors have not given their personal guarantee within 10 (ten) days of the long-stop date for an amount equal to the higher of:

- a) 102% (one hundred and two per cent) of the bonds' nominal amount, together with any interest accrued at the redemption date; and
- b) 102% (one hundred and two per cent) of the bonds' no original guarantor event bond price, as defined in the bond indenture, together with any interest accrued at the redemption date.

Moreover, the bondholders will be entitled to exercise a put option for all or part of their bonds at their nominal amount if the additional guarantors have not given their personal guarantee within 10 (ten) days of the date in which such guarantee is due under the provisions of the bond indenture.

- **Applicable law:** the bond indenture is governed by English law, without prejudice to the mandatory requirements of Italian law concerning bondholders' meetings and the bondholders' representative.

3 Nature and scope of the engagement

This report, issued pursuant to article 2441.6 of the Italian Civil Code and article 158.1 of the TUIF, is aimed at supplementing the disclosures provided to the shareholders, whose rights of first refusal have been excluded pursuant to article 2441.5 of the Italian Civil Code, about the methods adopted by the directors to determine the share issue price for the purposes of the proposed capital increase without rights of first refusal.



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Specifically, this report describes the methods adopted by the directors to determine the share issue price and any valuation difficulties they may have encountered. It also sets out our considerations about whether those methods are reasonable and not arbitrary in the circumstances, as well as about their correct application.

The scope of our engagement did not include a valuation of the company's economic value, which was solely performed by the directors.

Therefore, this report sets out our conclusion as to whether the methods adopted by the directors to determine the share issue price are suitable in the circumstances, as well as whether they have been applied correctly.

In their report, the directors determined the conversion price, which is equal to the issue price of the new shares arising from the capital increase, i.e., €2.0487 (two point zero four eight seven), subject to any adjustments to the conversion price provided for by the terms and conditions of the transaction.

4 Documentation used

We obtained the documentation and information deemed useful for the scope of our engagement from the company. Specifically, we obtained and analysed the following documentation:

- report of the board of directors of 25 October 2023, prepared in accordance with article 2441.6 of the Italian Civil Code, article 72 of Consob (the Italian Commission for listed companies and the stock exchange) regulation no. 11971/99 and article 125-ter of the TUIF;
- minutes of the board of directors' meeting of 25 October 2023, during which the above-mentioned report was approved;
- the company's by-laws;
- documentation detailing the valuation carried out by the directors and the criteria and methods used to determine the new shares' price proposed for the transaction;
- Saipem's condensed interim consolidated financial statements at 30 June 2023, which we reviewed and on which we issued our review report on 3 August 2023;
- Saipem's separate and consolidated financial statements at 31 December 2022, which we audited and on which we issued our audit reports on 7 April 2023;
- the 2023-2026 Industrial Plan approved by the Board of Directors on 27 February 2023;
- the company's share performance over the six months prior to the date of the report;
- equity Reports of Brokers who follow Saipem's shares;
- accounting, non-accounting and statistical elements, as well as any other information deemed useful for the purposes of our engagement.

Finally, with the representation letter issued on 17 November 2023, the company's directors and management specifically and expressly confirmed that, to the best of their knowledge, the data and information used by us to carry out our engagement have not changed significantly, nor have events or circumstances taken place that would have required significant changes to the data and information mentioned above and/or that may have a significant impact on the methods selected to determine the issue price.



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5 Valuation methods adopted by the directors to determine the share issue price

If a company decides to exclude the rights of first refusal pursuant to article 2441.5 of the Italian Civil Code, article 2441.6 of the Italian Civil Code requires its directors to calculate the share issue price based on the company's net asset value, also taking into account, in the case of listed shares, its share performance for the last six months.

As set out in their report, considering the characteristics of both the bonds and the capital increase, the directors resolved to propose to the shareholders an issue price for the new shares arising from that capital increase equal to the bond conversion price, provided that the latter is not smaller than that calculated using the company's net asset value, also considering its share performance on the Euronext Milan over the previous six months.

The bonds' initial conversion price was determined after completion of the bond placement on the basis of the ordinary Saipem share's market price and the quantity and quality of the demand seen during the placement period, in accordance with the market practice for this type of financial instrument.

Specifically, the ordinary shares' market price was determined by reference to their placement price used by the joint bookrunners in connection with the bonds' placement (concurrent delta placement) on behalf of the bonds' subscribers for hedging against the market risk arising from investing in bonds. Such price, which amounted to €1.49 (one point four nine), with a discount of 5.3% (five point three per cent) on the closing price of the placement commencement day, equal to €1.574 (one point five seven four), was calculated using an accelerated book building process. A conversion premium of 37.5% (thirty-seven point five per cent) was then added to the market price, as per the instructions of the banks involved in the transaction and market conditions, which resulted in a conversion price of €2.0487 (two point zero four eight seven).

Pursuant to article 2441.6 of the Italian Civil Code, the directors calculated the issue price of the new ordinary shares servicing the possible conversion of the bonds considering a net asset value per share of €1.09 (one point zero nine) at 30 June 2023, also taking into account the arithmetical average of the official prices recorded by Saipem shares on the Italian Stock Exchange during the six months prior to 30 August 2023, equal to 1.36 (one point three six).

In line with the current market practice for this type of financial instrument, the initial conversion price determined as above may be adjusted upon the occurrence, inter alia, of the following events (this list is not exhaustive):

- (i) grouping or splitting of outstanding ordinary shares;
- (ii) bonus issues (excluding capital increases servicing equity-settled share-based payment plans pursuant to article 114-bis of the TUIF);
- (iii) distribution of dividends in kind or cash to the ordinary shareholders;
- (iv) assignment to the ordinary shareholders and/or issue of ordinary shares, financial instruments convertible into ordinary shares, rights or options entitling the holders to subscribe ordinary shares at a price below their market price and not offered to the bondholders (excluding capital increases servicing equity-settled share-based payment plans pursuant to article 114-bis of the TUIF);
- (v) amendments to issued financial instruments entailing the option or obligation to convert the financial instruments into ordinary shares at a below-market price.

6 Valuation difficulties encountered by the directors

The directors did not report any specific difficulties in the determination of the share issue price.



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7 Results of the directors' valuations

According to the report:

- a) the ordinary shares' market price was determined by reference to their placement price used by the joint bookrunners in connection with the bonds' placement (concurrent delta placement) on behalf of the bonds' subscribers for hedging against the market risk arising from investing in bonds. Such price amounted to €1.49 (one point four nine), with a discount of 5.3% (five point three per cent) on the closing price of the placement commencement day, equal to €1.574 (one point five seven four);
- b) a conversion premium of 37.5% (thirty-seven point five per cent) was then added to the market price, as per the instructions of the banks involved in the transaction and market conditions;
- c) the directors also considered a net asset value per Saipem share of €1.09 (one point zero nine) at 30 June 2023, as well as the arithmetical average of the official prices recorded by Saipem shares on the Italian Stock Exchange during the six months prior to 30 August 2023, equal to 1.36 (one point three six).

Based on their analyses and the book building process, the directors determined the conversion price as €2.0487 (two point zero four eight seven).

Considering their analyses, the directors believe the methods used to calculate the bonds' initial conversion price and, hence, the new shares' issue price are consistent with the criteria provided for by article 2441.6 of the Italian Civil Code and are, therefore, appropriate to identify a price that protects the equity interests of the company's shareholders, given the exclusion of their rights of first refusal.

8 Procedures performed

Considering the nature of our engagement, we carried out the following procedures:

- perusal of the report prepared by the directors, which explains and motivates, pursuant to article 2441.6 of the Italian Civil Code, the proposed increase in Saipem's share capital with the exclusion of the shareholders' rights of first refusal pursuant to article 2441.5 of the Italian Civil Code. The report was approved on 25 October 2023;
- analysis, for the purpose of this engagement, of the company's current by-laws;
- perusal of the minutes of the board of directors' meeting of 25 October 2023, during which the above-mentioned report was approved;
- analysis of the reasons given by the directors for the adoption of the valuation methods for calculating the share issue price to check their completeness and consistency;
- analysis of the methods used by the directors, in order to check whether, in the circumstances, they are suitable to calculate the new shares' issue price and are reasonable, grounded and not arbitrary;
- analysis of the documentation detailing the valuation carried out by the directors, the criteria and methods used to determine the share issue price;
- observation and analysis of the market data and information about the company's share performance over the six months prior to the dates of the report and our report;
- sensitivity analysis of the company's share performance over the six months before the date of the report and, to that end, calculation of the average share price in different time intervals before the date of the report, as well as checks of the accuracy of the calculations made by the directors;



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- analysis of the conversion premium calculated by the directors;
- check of the consistency and reasonableness of the data used by the directors with the reference sources and the mathematical accuracy of the calculation of the share issue price by applying the valuation criteria adopted by the directors;
- discussion of any events that occurred after the reporting date of the contribution statement of financial position and after the board of directors' meeting of 25 October 2023 that could have a significant impact on the calculation of the company's share issue price.

9 Comments on the suitability of the valuation methods used by the directors to determine the share issue price

The report describes the capital increase and the reasons underlying the directors' decisions about the methods used and the logical process followed to determine the issue price of the new shares.

In this respect, considering the transaction's characteristics, we express below our considerations on the suitability of the valuation methods adopted by the directors in terms of their reasonableness and non-arbitrariness.

If a company decides to increase its share capital excluding the rights of first refusal pursuant to article 2441.5 of the Italian Civil Code, article 2441.6 of the Italian Civil Code requires its directors to calculate the share issue price based on the company's net asset value, also taking into account, in the case of listed shares, its share performance for the last six months.

With reference to the use of stock market prices, according to the prevailing interpretations, the law gives the directors vast freedom of choice in identifying a value deemed to be representative of market trends, without necessarily restricting them to complying with average or actual data, when formulating their proposal to the shareholders.

According to the directors, the bonds' initial conversion price was determined on the basis of the ordinary Saipem share's market price and the quantity and quality of the demand seen during the placement period in accordance with the market practice for this type of financial instrument. A conversion premium was then added to the market price, as per the instructions of the banks involved in the transaction and market conditions.

That being said, we set out below our comments on the criterion adopted by the directors to determine the share issue price:

- under article 2441.6 of the Italian Civil Code, in the case of exclusion of the rights of first refusal, the share issue price shall be determined on the basis of the net asset value and, in the case of companies with shares listed on regulated markets, taking also into account the share performance of the last six months. Based on relevant interpretations, the "net asset value" referred to in the above article does not mean the carrying amount of a company's equity, but rather the fair value of its economic capital. With regard to the reference to the "share performance of the last six months", practice and interpretations agree that reference should not necessarily be made to the average price of a six-month period, but also to smaller time intervals, depending on the circumstances and the particular characteristics of a company's shares, with the objective of identifying the fair value of the issuer. In this case, the directors also considered the arithmetical average of the official prices recorded by Saipem shares on the Italian stock exchange during the six months prior to 30 August 2023;
- the 37.5% (thirty-seven point five per cent) premium embedded in the conversion price identified by the directors is in line with comparable transactions recently carried out in Italy and Europe.



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The directors deem it unnecessary to apply any further criteria in determining the conversion price.
We took into account the matters set out above for the purposes of this report.

10 Specific limitations and other significant issues that arose during the engagement

We performed our engagement assuming that the data, documents and information provided to us by the company and used by us were true, correct and complete, without carrying out any checks in this respect. Likewise, the scope of our engagement did not include checks and/or assessments of the validity and/or legal effectiveness of the directors' resolutions relating to the transaction and we did not perform any such checks or assessments.

As mentioned earlier, the directors did not mention any specific limitations encountered in their valuations in connection with the transaction.

The difficulties and limitations encountered during our engagement include the following:

- valuations based on methods that use market variables and parameters are subject to fluctuations in line with financial market performances. The performance of the Italian and international financial markets tends to fluctuate significantly over time, reflecting in particular the uncertainty of the general economic environment. Price trends may be affected by speculation in both directions, unrelated to the individual companies' financial outlook. This external element is particularly topical in a market environment that is characterised by high levels of uncertainty and volatility as well as strong turbulence;
- the directors did not adopt any methods to check and corroborate the analyses they conducted to identify the criteria used to determine the share issue price. This is a limitation to our work.

We considered the above in preparing this report.

11 Conclusion

Based on the documentation examined and the procedures detailed above, considering the nature and scope of our engagement described herein and subject to that reported in paragraph 10, we believe that the valuation method adopted by the directors is suitable, as it is reasonable and not arbitrary in the circumstances, and that it has been correctly applied in order to determine the issue price of €2.0487 (two point zero four eight seven) of each of the new Saipem ordinary shares as part of the capital increase, with the exclusion of the shareholders' rights of first refusal, servicing the bond issue.

Milan, 17 November 2023

KPMG S.p.A.

(signed on the original)

Cristina Quarleri
Director of Audit