INTERIM CONSOLIDATED FINANCIAL REPORT AS OF JUNE 30, 2024

SAIPEM

MISSION

We have pledged to work alongside our clients and transform their strategies and projects into safe, competitive, sustainable infrastructures, plants and processes. We will accompany them along their path towards energy and ecological transition and support their journey towards Net Zero.

VALUES

We value creative talent. We look after people and the environment and are committed to building relationships of trust. We encourage an appreciation of diversity and we promote inclusivity.

Disclaimer

By their nature, forward-looking statements are subject to risk and uncertainty since they are dependent upon circumstances which should or are considered likely to occur in the future and are outside of the Group's control. These include, but are not limited to: exchange and interest rate fluctuations, commodity price volatility, credit and liquidity risks, HSE risks, the levels of capital expenditure in the oil industry and other sectors, political instability in areas where the Group operates, actions by competitors, success of commercial transactions, risks associated with the execution of projects (including pandemic risks, geopolitical risks, supply chain risks and those risks related to ongoing investment projects), in addition to changes in stakeholders' expectations and other changes affecting business conditions. Actual results could therefore differ materially from the forward-looking statements. The financial reports contain in-depth analyses of some of the aforementioned risks. Forward-looking statements and data are to be considered in the context of the date of their release.

COUNTRIES IN WHICH SAIPEM OPERATES

EUROPE
Albania, Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Greece, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Spain, Sweden, Switzerland, Turkey, United Kingdom

AMERICAS
Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Ecuador, Guyana, Mexico, Peru, Suriname, Trinidad & Tobago, United States, Uruguay, Venezuela

CIS
Azerbaijan, Kazakhstan, Russia

AFRICA
Algeria, Angola, Congo, Côte d'Ivoire, Egypt, Equatorial Guinea, Gabon, Ghana, Libya, Mauritania, Morocco, Mozambique, Nigeria, Senegal, Tunisia

MIDDLE EAST
Bahrain, Iraq, Israel, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates

FAR EAST AND OCEANIA
Australia, Bangladesh, China, India, Indonesia, Malaysia, Myanmar, Pakistan, Singapore, South Korea, Thailand

BOARD OF DIRECTORS AND STATUTORY AUDITORS OF SAIPEM SpA

BOARD OF DIRECTORS[1]
Chairman
Elisabetta Serafin

CEO - General Manager
Alessandro Puliti[3]

Directors
Roberto Diacetti, Patrizia Michela Giangualano, Francesca Mariotti, Mariano Mossa, Francesca Scaglia, Paul Simon Schapira, Paolo Sias

BOARD OF STATUTORY AUDITORS[2]
Chairman
Giovanni Fiori

Statutory Auditors
Antonella Fratalocchi
Ottavio De Marco

Alternate Statutory Auditors
Maria Francesca Talamonti
Raffaella Annamaria Pagani

INDEPENDENT AUDITORS

KPMG SpA[4]

(1) Appointed by the Shareholders' Meeting on May 14, 2024, for three financial years, and in any case up to the date of the Shareholders' Meeting which will be called to approve the financial statements as at December 31, 2026.
(2) Appointed by the Shareholders' Meeting on May 3, 2023, for three financial years, and in any case up to the date of the Shareholders' Meeting which will be called to approve the financial statements as at December 31, 2025.
(3) The Shareholders' Meeting on May 14, 2024, appointed Alessandro Puliti as member of the Board of Directors, his mandate expiring together with those of the current Directors, i.e., at the Shareholders' Meeting convened to approve the financial statements as at December 31, 2026. On May 14, 2024, the Board of Directors appointed Alessandro Puliti, already General Manager of the Company, as Chief Executive Officer.
(4) The Shareholders' Meeting of May 3, 2018, resolved to appoint KPMG SpA as the independent auditors from 2019 to 2027.

INTERIM CONSOLIDATED FINANCIAL REPORT AS OF JUNE 30, 2024

Approved by the Board of Directors on July 24, 2024

INTERIM RESULTS

The results for the first half of 2024 highlight the continuous growth of revenue and margins, the acceleration in cash flow generation and the strengthening of the financial position. The net result of the first half of the year stood at €118 million, a significant growth compared to the €40 million recorded in the same period of the previous year. Net cash flow reached the €178 million level, a significant improvement on the first half of 2023. New contracts awarded in the first half of 2024 amounted to €7 billion, confirming the strong market demand and the Group's competitive offer, particularly in offshore activities and large-scale integrated projects. The backlog, equal to approximately €30 billion, and the strong commercial pipeline, further increase the visibility of the objectives of the 2024-2027 Strategic Plan.

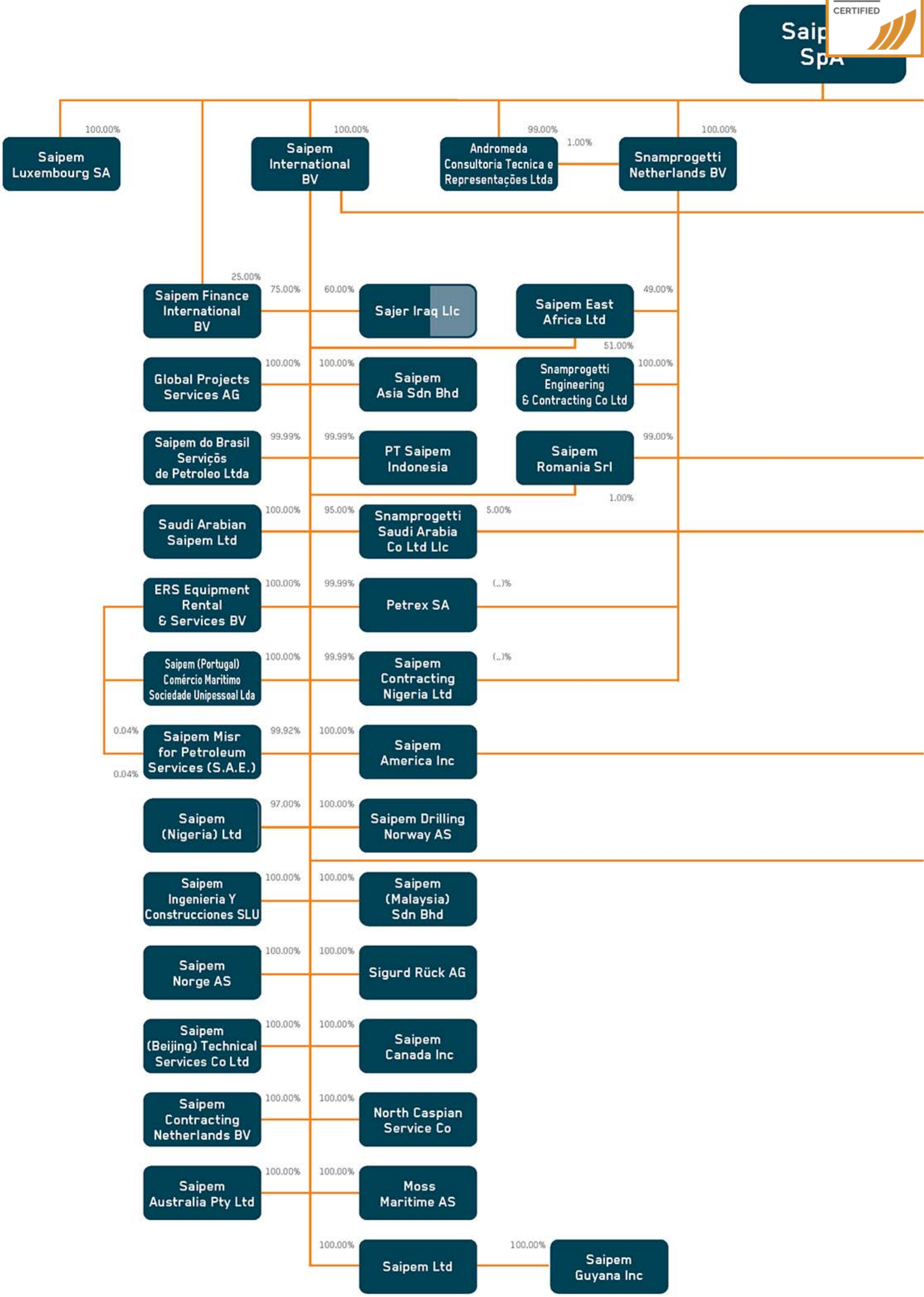
Revenues in the first half of 2024 amounted to €6,418 million (€5,347 million in the first half of 2023) and **adjusted EBITDA** amounted to €565 million (€410 million in the first half of 2023); growing by 20% and 38% respectively, compared to the first half of 2023. The operating results reflect the improvement in operating performance compared to the first half of 2023, in particular for the Offshore activities, both engineering and construction and drilling.
Asset Based Services accounted for 54% of revenue; Energy Carriers for 39% of revenue; Offshore Drilling contributed 7% of revenue.
The **adjusted result from Continuing operations** amounted to a profit of €118 million in the first half of 2024 (€40 million in the first half of 2023).
In the first half, non-recurring expenses have not been recognised, and the result from **Discontinued operations** is null, as in the corresponding period of 2023.

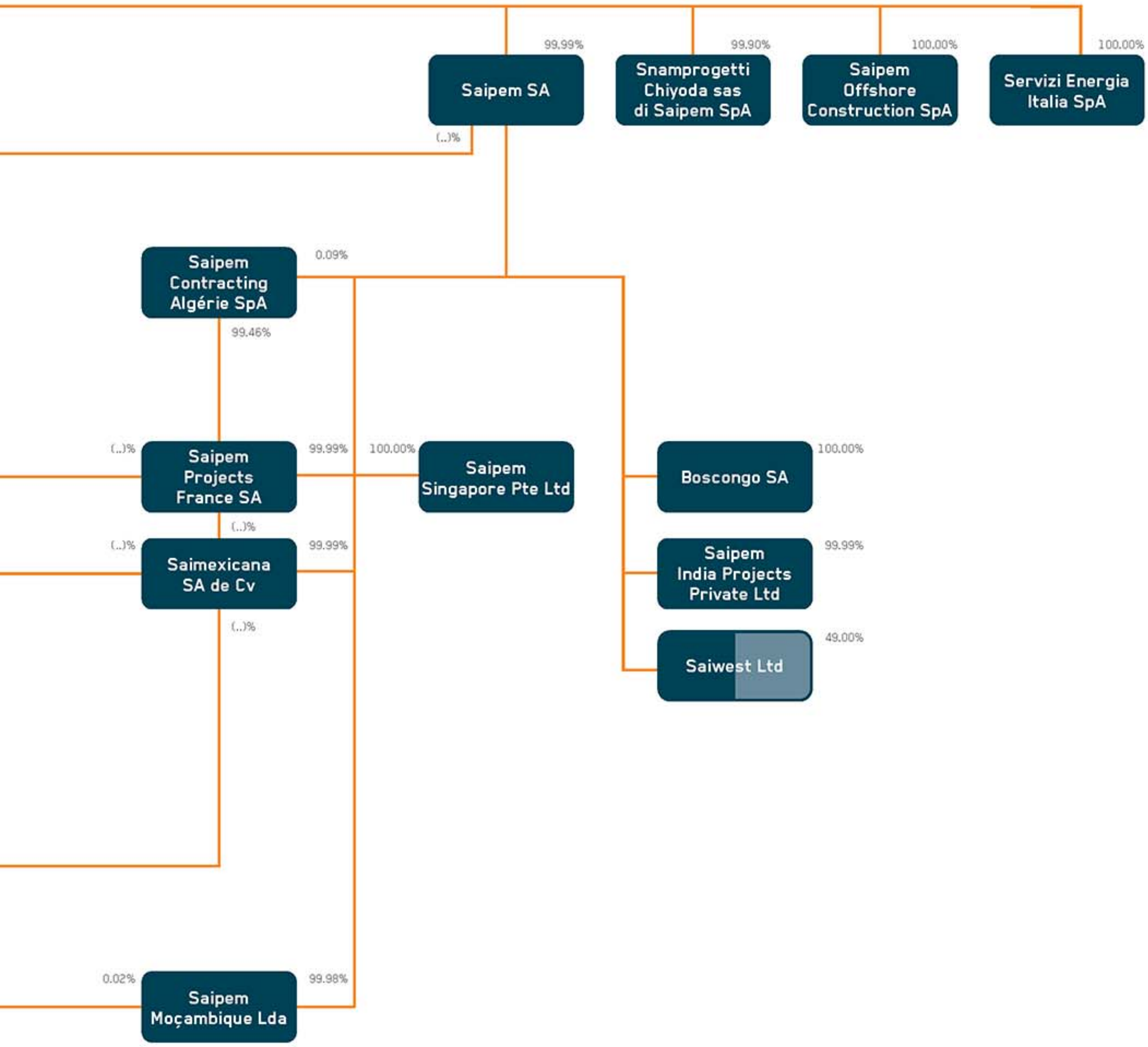
Capital expenditure during the first half of 2024 amounted to €194 million (€139 million in the first half of 2023), and it mainly relates to maintenance and upgrades.
Pre-IFRS 16 **Net Financial Position** as of June 30, 2024 amounted to a net cash of €394 million recorded an increase of €178 million compared to December 31, 2023 (net cash of €216 million). Net debt (including IFRS 16 lease liability of €542 million), amounted to €148 million.

In the first half of 2024, Saipem was awarded **new contracts** amounting to a total of €7,086 million (€6,690 million in the first half of 2023). The **backlog** as of June 30, 2024 amounted to €30,470 million (€16,309 million in Asset Based Services, €12,489 million in Energy Carriers and €1,672 million in Offshore Drilling), of which €6,636 million to be executed in the second half of 2024.
The backlog including non-consolidated companies as of June 30, 2024 amounted to €30,626 million.

STRUCTURE OF THE SAIPEM GROUP

(subsidiaries)


Saipem SpA
Saipem Luxembourg SA
100.00%
Saipem International BV
100.00%
Andromeda Consultoria Tecnica e Representações Ltda
99.00%
1.00%
Snamprogetti Netherlands BV
100.00%
Saipem Finance International BV
25.00%
75.00%
Sajer Iraq Llc
60.00%
Saipem East Africa Ltd
49.00%
51.00%
Global Projects Services AG
100.00%
Saipem Asia Sdn Bhd
100.00%
Snamprogetti Engineering & Contracting Co Ltd
100.00%
Saipem do Brasil Serviçõs de Petroleo Ltda
99.99%
PT Saipem Indonesia
99.99%
Saipem Romania Srl
99.00%
1.00%
Saudi Arabian Saipem Ltd
100.00%
Snamprogetti Saudi Arabia Co Ltd Llc
95.00%
5.00%
ERS Equipment Rental & Services BV
100.00%
Petrex SA
99.99%
(..)%
Saipem (Portugal) Comércio Maritimo Sociedade Unipessoal Lda
100.00%
Saipem Contracting Nigeria Ltd
99.99%
(..)%
Saipem Misr for Petroleum Services (S.A.E.)
0.04%
99.92%
0.04%
Saipem America Inc
100.00%
Saipem (Nigeria) Ltd
97.00%
Saipem Drilling Norway AS
100.00%
Saipem Ingenieria Y Construcciones SLU
100.00%
Saipem (Malaysia) Sdn Bhd
100.00%
Saipem Norge AS
100.00%
Sigurd Rück AG
100.00%
Saipem (Beijing) Technical Services Co Ltd
100.00%
Saipem Canada Inc
100.00%
Saipem Contracting Netherlands BV
100.00%
North Caspian Service Co
100.00%
Saipem Australia Pty Ltd
100.00%
Moss Maritime AS
100.00%
Saipem Ltd
100.00%
Saipem Guyana Inc
100.00%



The chart shows only subsidiaries

INTERIM DIRECTORS' REPORT

SAIPEM SpA SHARE PERFORMANCE

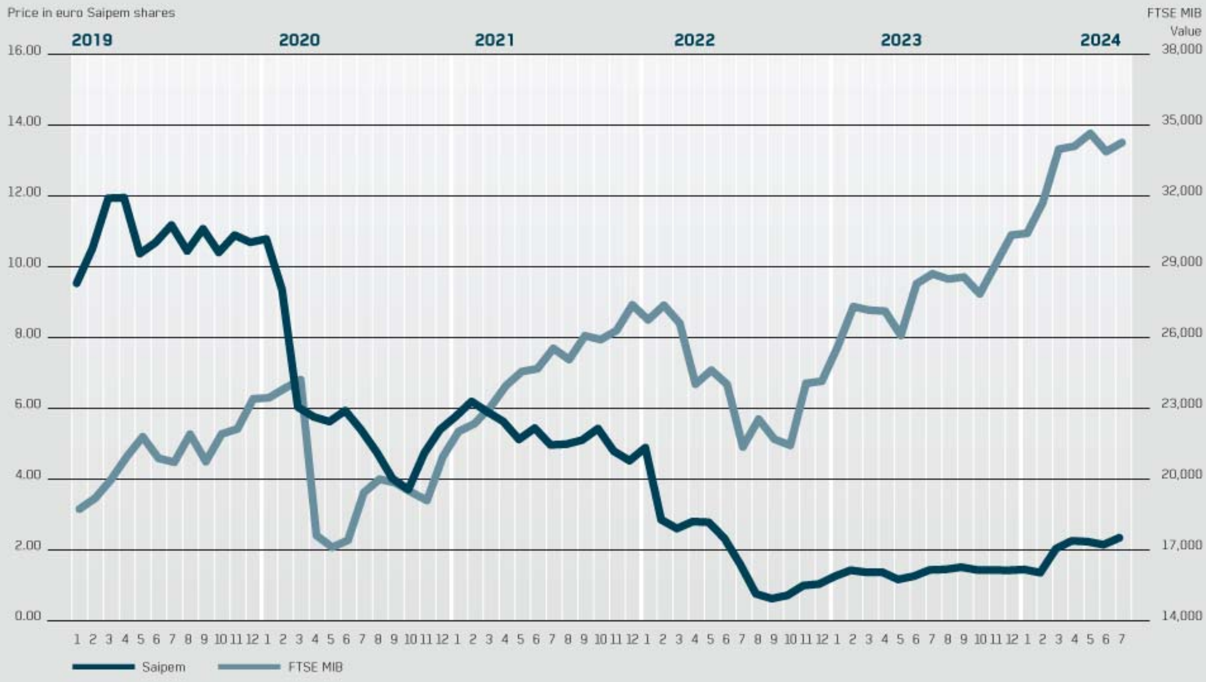
The price of Saipem shares closed the first half of 2024 at a level equal to €2.392, in increase of 63% compared to the end of 2023; such increase is higher than the one recorded in the same period by the global equity markets, in which the FTSE MIB grew by 9%, the Stoxx Europe 600 by 7% and the S&P 500 by 14%.
Oil prices also recorded grew by 14% in the first half of 2024, and this supported the share prices of the main listed companies operating in Saipem's reference segments, both offshore and onshore. In particular, in the offshore segment, shares in TechnipFMC rose by 30% and those of the Subsea7 by 38%, while in the onshore segment shares in Technip Energies rose by 1% and shares in Maire rose by 62%. On the other hand, the performance of the share prices of companies working in the offshore drilling segment were more varied, also due to the temporary suspensions received by Saudi Aramco for several jack-up vessels, affecting their operating performance.
During the first two months of the year, Saipem's share price touched a maximum level of €1.567 (January 5, 2024) and a minimum level of €1.259 (February 9, 2024). In particular, in the following weeks, the incident involving the pipe-laying vessel Castorone and the announcement by Saudi Aramco of the suspension of the increase in maximum sustainable capacity from 12 million barrels a day to 13 million barrels a day (both announced on January 30, 2024) affected Saipem's share price.
Following the publication on February 28, 2024 of the financial results for 2023 and the 2024-2027 Strategic Plan which, in particular, includes the resumption of dividend payments by the company, the Saipem share price recorded a considerable performance. The annual results and Strategic Plan were appreciated by the market, which – in the weeks following their publication – rewarded the Saipem share with a growth of over 63%; the share increased from €1.48 on February 28, 2024 to €2.415 on April 12, 2024, the date on which the share price reached its maximum level in the first half of 2024.
Saipem shares subsequently fell, also linked to the decline in oil prices (reaching a relative minimum in early June 2024) and the volatility of the markets following the results of the European elections ending on June 9, 2024. Saipem share price thus reached a relative minimum on June 17, 2024, closing on that day at €2.019.
It should also be noted that on June 11, 2024, the shareholder Eni SpA placed a 10% share in Saipem's Share Capital on the market, through an accelerated bookbuilding process targeting institutional investors. The shares were placed at a price of €1.97 (i.e. a 4.6% discount compared to the closing price of the previous day) for a total value of approximately €393 million.
In the second half of June 2024, Saipem share price started to rise again, recording an 18% increase on the relative minimum recorded on June 17, 2024, closing the first half of the year at €2.392.
Details of performance during the reporting period are presented below.

Listing on the Milan Stock Exchange

(€)	2019	2020	2021	2022	2023	First half 2024
Ordinary shares:						
- maximum	12.63	11.28	6.66	5.12	1.62	2.42
- minimum	8.23	3.42	4.34	0.58	1.14	1.26
- average	10.76	5.93	5.30	2.00	1.40	1.92
- end of the period	10.93	5.54	4.63	1.13	1.47	2.39
Savings shares:						
- maximum	442.00	450.00	450.00	350.00	88.50	101.00
- minimum	400.00	420.00	360.00	72.50	77.00	86.00
- average	414.28	433.65	418.44	136.68	79.30	96.41
- end of the period	420.00	450.00	370.00	77.00	88.50	86.00

The figures have been restated following the reverse stock split and the share capital increase.

SAIPEM AND FTSE MIB - AVERAGE MONTHLY PRICES JANUARY 2019-JULY 2024



OPERATING REVIEW

Organizational structure

The Group is organisationally configured into separate business areas consistently with the Group's Organisation Model, and includes:

- the organisational and geographical centralisation of staff structures, aimed at achieving higher efficiency levels;
- a central business department to manage the order intake and customer interaction within a "One Saipem" perspective, while ensuring the optimised management of regional and local structures on a global scale;
- the integration of project control and project risk management processes within the Chief Financial Officer operating area, raising the level of sensitivity in risk analysis and management over the entire life cycle of projects.

The organisational structure as of June 30, 2024 is as follows: Asset Based Services, Energy Carriers, Robotics & Industrialized Solutions, Sustainable Infrastructures, and Offshore Wind.

On July 1, to ensure the single management of the Drilling business and increase the effectiveness of the processes managed both during the order phase and during project execution, guaranteeing proximity between the operating activities and the asset based services, as well as the unitary development of technical and specialist skills, reporting directly to the CEO and General Manager, the Drilling business line was established; the commercial activities and Operations and Assets for the business, previously falling under the Asset Based Services business line, are now managed here.

The business lines, each with different dynamics, goals, and skills aimed at the technical and financial development of the offers and the management of projects in the execution phase, as well as being centers of excellence in technology and engineering, globally recognised by our customers, were structured as follows to manage the Group's portfolio:

- Asset Based Services – which manages the Offshore Engineering & Construction business – sea trunklines, transportation & installation, subsea development – as well as the vessels and yards serving the Group's businesses;
- Energy Carriers - evolution of Saipem's systems with a strong technological content, great attention to new energy carriers and circularity; it brings together the Engineering & Construction business of "one-of-a-kind" onshore and offshore projects, enhancing the extent, depth, and quality of our technical and management skill portfolio;
- Robotics & Industrialized Solutions – answering the new needs of the energy sector, it integrates the technical-operational skills dedicated to the development, engineering, and execution of modular, repeatable and scalable systems, as well as the monitoring and maintenance services based on digital technologies;
- Sustainable Infrastructures – to seize the opportunities of a sector that has become strategic in the energy transition ecosystem, which will hopefully by accelerated by the Italian Recovery Fund;
- Offshore Wind – to consolidate Saipem's role in the offshore wind sector through the unified management and development of the business, with regard to the new opportunities to be pursued in the reference markets;
- Drilling – which manages the fleet, currently consisting of drilling vessels with a range of technological characteristics, able to work at all depths, from ultra-deep to shallower depths.

The Drilling sector, given the relevance and economic characteristics, was already described separately in line with the provisions of IFRS 8; consequently, the organizational review from July 1 will not impact market disclosure, for which the reporting segments remain unchanged.

Market conditions

The current context is characterized by a prolonged positive cycle in Saipem's reference markets, in particular for the Oil&Gas sector, supported globally by the growing need for access to secure and sustainable energy sources.

In 2024, according to the International Monetary Fund, the world economy is expected to grow by 3.2% compared to 2023, thanks to the higher-than-expected performance of the US economy and the improvement of the European one, both factors that overall are expected to offset the slowdown in Chinese economy, burdened by a prolonged crisis in the domestic real estate sector. Medium-term expectations converge towards a stabilization of economic growth close to 3% per year, considering some elements of instability at geopolitical level (in particular, the Russia-Ukraine conflict and the Israeli-Palestinian crisis) and at economic level, linked to the growing risks on global supply chains.

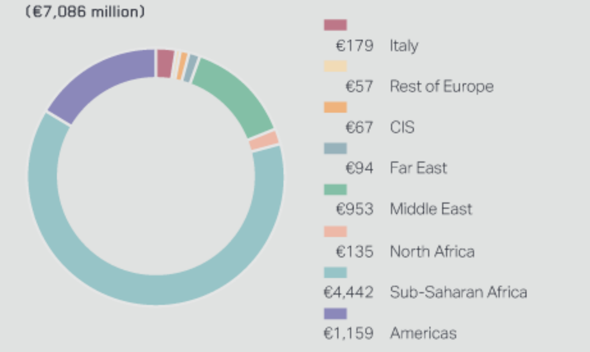
In 2024, the energy sector has confirmed the recovery that began in previous years, both in the field of renewable sources and traditional sources such as oil and gas, underpinned by a growing focus on the security of energy supplies and an improving macroeconomic environment. In line with expectations for the year 2024, the price of Brent crude oil remained stable at around $80 per barrel in the first six months of the year, helping to maintain the significant volumes of investments achieved globally in recent years. The need to strengthen energy

infrastructure as a strategy to mitigate supply risks has contributed to supporting this trend, particularly in the European area, which is continuing to diversify its pathways to energy sources.
In the current context, the main oil companies are pursuing, also through mergers and acquisitions, a dual strategy aimed on the one hand at maintaining the solidity of their financial structure, in line with the positive results achieved in traditional products, and on the other hand, at continuing the process of diversifying their investment portfolio in the context of the energy transition, supporting the announced CO_2 emission reduction targets.
In the area of renewable energy sources, in particular offshore wind energy, 2024 continues to remain below historical growth rates in terms of start-up of new wind farms and the award of new contracts. Although some elements of complexity remain, already outlined during 2023 and mainly related to the increase in costs for materials and services and high interest rates, the prospects for this market remain positive in the medium and long term, driven by the growing need for clean energy.

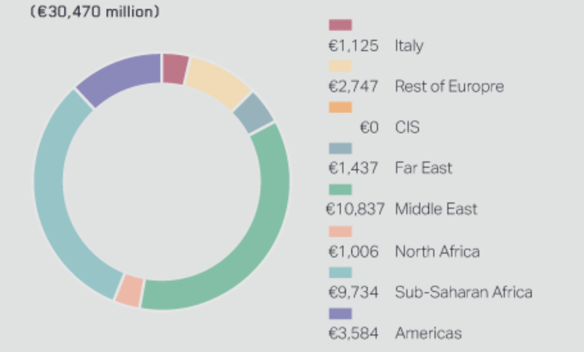
New contracts and backlog

New contracts awarded during the first half of 2024 amounted to €7,086 million (€6,690 million in the same period of 2023).
49% of all contracts awarded were related to the Asset Based Services business and to the Energy Carriers business, and 2% to Offshore Drilling.
New contracts to be carried out abroad made up 97% of the total; contracts awarded by Eni Group companies were 7% of the overall figure. Orders awarded to Saipem SpA amounted to 12% of the total.

NEW CONTRACTS BY GEOGRAPHIC AREA



ORDER BACKLOG BY GEOGRAPHIC AREA



Saipem Group - Contracts awarded during the first half 2024

Year 2023		(€ million)	First half 2024		First half 2023	
Amount	%		Amount	%	Amount	%
10,093	57	Saipem SpA	845	12	2,205	33
7,566	43	Group companies	6,241	88	4,485	67
17,659	**100**	**Total**	**7,086**	**100**	**6,690**	**100**
11,643	66	Asset Based Services	3,473	49	4,277	64
4,784	27	Energy Carriers	3,478	49	1,267	19
1,232	7	Offshore Drilling	135	2	1,146	17
17,659	**100**	**Total**	**7,086**	**100**	**6,690**	**100**
1,148	7	Italy	179	3	683	10
16,511	93	Outside Italy	6,907	97	6,007	90
17,659	**100**	**Total**	**7,086**	**100**	**6,690**	**100**
1,909	11	Eni Group	478	7	400	6
15,750	89	Third parties	6,608	93	6,290	94
17,659	**100**	**Total**	**7,086**	**100**	**6,690**	**100**

The backlog as of June 30, 2024 amounted to €30,470 million (€29,802 million as of December 31, 2023), €16,309 million for Asset Based Services, €12,489 million for Energy Carriers, and €1,672 million for Offshore Drilling, of which €6,636 million is to be executed in the second half of 2024.
The breakdown of the backlog by sector is as follows: 54% in the Asset Based Services sector, 41% in the Energy Carriers sector, and 5% in Offshore Drilling.
96% of orders were on behalf of overseas clients, while orders from Eni Group companies represented 4% of the overall backlog. The parent company Saipem SpA accounted for 41% of the total backlog.

The backlog including non-consolidated companies was €30,626 million (€29,892 million as of December 31, 2023).

Saipem Group - Backlog as of June 30, 2024

June 30, 2023		(€ million)	June 30, 2024		Dec. 31, 2023	
Amount	%		Amount	%	Amount	%
8,116	32	Saipem SpA	12,529	41	13,849	46
17,244	68	Group companies	17,941	59	15,953	54
25,360	**100**	**Total**	**30,470**	**100**	**29,802**	**100**
12,366	49	Asset Based Services	16,309	54	16,285	54
10,713	42	Energy Carriers	12,489	41	11,534	39
2,281	9	Offshore Drilling	1,672	5	1,983	7
25,360	**100**	**Total**	**30,470**	**100**	**29,802**	**100**
1,352	5	Italy	1,125	4	1,433	5
24,008	95	Outside Italy	29,345	96	28,369	95
25,360	**100**	**Total**	**30,470**	**100**	**29,802**	**100**
727	3	Eni Group	1,324	4	1,445	5
24,633	97	Third parties	29,146	96	28,357	95
25,360	**100**	**Total**	**30,470**	**100**	**29,802**	**100**

Capital expenditure

Capital expenditure made in the first half of 2024 amounted to €194 million (€139 million in the first half of 2023) and mainly included:

- for Asset Based Services €149 million: extraordinary maintenance and reinforcement of the Saipem Constellation, Saipem 7000, Castoro 10 vessels and extraordinary maintenance and upgrading of existing vessels;
- for Energy Carriers €8 million: purchase and maintenance of equipment;
- for Offshore Drilling €37 million: maintenance and upgrading work on the vessels, in particular, on the semi-submersible platform Scarabeo 9 and upgrading of the rented jack-up Perro Negro 13 which has started operating in the Middle East under a contract already in backlog.

In summary, capital expenditure in the first half of 2024 are as follows:

Capital expenditure

Year 2023	(€ million)	First half 2024	First half 2023
26	Saipem SpA	7	5
456	Other Group companies	187	134
482	**Total**	**194**	**139**
258	Asset Based Services	149	118
22	Energy Carriers	8	5
202	Offshore Drilling	37	16
482	**Total**	**194**	**139**

Details of capital expenditure for the individual business units are provided in the following paragraphs.

ASSET BASED SERVICES AND OFFSHORE WIND

Introduction

Offshore Engineering & Construction projects are managed by the Asset Based Services business line, while projects in the Offshore Wind segment are managed by the Offshore Wind business line. The two business lines work in the same market, sharing assets, vessels and fabrication yards, and use the same resources to implement their projects. Specifically, the Group manages the vessel fleet in a unified and integrated manner, taking into account the requirements, operating locations, intervention schedules and contractual obligations of the orders in execution referring (indistinctly) to both Asset Based Services and Offshore Wind. The projects managed by the two business lines are commented separately below.

General overview

The Asset Based Services Business Line operates in the Offshore sector with a portfolio of skills, assets, and services that allows coverage of a wide range of project types, including development of subsea fields, pipe laying (including large diameters), and installation and lifting of offshore structures. The services offered by the Business Line cover the entire "life of the field" chain, from customer care in the pre-final investment decision phase to the development of the investment. They include engineering, implementation, installation, maintenance, and modification activities, and ultimately, the decommissioning phase.
The service mentioned above are offered with complementary features, thanks to a fleet that can operate under complex operational and environmental conditions, to a network of construction yards and logistics bases in Nigeria, Angola, Brazil, Indonesia, Guyana, Italy, the United States, and Saudi Arabia; and decades of engineering and project management skills derived from experience in the sector. In particular, as of June 30, 2024, the fleet includes 21 vessels, 17 of which are owned by Saipem and 4 are owned by third parties and managed by Saipem. Among the main vessels are: the Saipem 7000, used for heavy lifting and decommissioning; the pipelay vessel Castorone, used for laying large-diameter pipes; the FDS and FDS 2, used for the development of subsea fields; the Saipem Constellation, used for field development activities thanks to its lifting and pipe-laying capabilities for reel-lay of rigid and flexible pipelines; the Saipem Endeavour, used for pipe-laying and lifting.
As mentioned in the previous paragraph, the fleet and management facilities of Asset Based Services also provide support to the Offshore Wind Business Line for renewable energy activities. The Business Line, in order to optimise its production processes, pays special attention to technological innovations, automation and digitalisation.
Activities in the Offshore segment are pursued organisationally through one single structures, aimed at the SURF segment (Subsea, Umbilicals, Risers, Flowlines) and one at Offshore Facilities and Pipeline, with the support of an Asset function dedicated to the management of ships, yards, and business line bases, including the Offshore Drilling fleet.

Market conditions

The current context is marked by a prolonged positive cycle in Saipem's reference markets, particularly the Oil&Gas market, supported globally by the growing need to access secure and sustainable energy sources. In 2024, according to the International Monetary Fund, the world economy is expected to grow by 3.2% compared to 2023, thanks to the better-than-expected performance of the US economy and the improvement in the European economy, which overall compensated the slowing Chinese economy, suffering from a prolonged crisis in the domestic real estate market. Medium-term expectations agree on stable economic growth of around 3% per annum, in the light of some ongoing geopolitical instabilities (particularly, the Russia-Ukraine conflict and the Israeli-Palestinian crisis) and some remaining economic instabilities linked to the growing risks in the global supply chains.
In 2024, the energy sector is continuing the recovery that began in previous years, both in renewables and conventional fields like oil and gas, supported by a growing focus on the security of energy supply and the improving macro-economic scenario. Brent crude prices remained stable at around 80 dollars a barrel in the first half of the year, in line with the expectations for 2024, helping to maintain the major global investments of recent years. Supporting this trend was the need to strengthen energy infrastructures as a strategy for mitigating procurement risks, particularly in Europe, which continues to diversify its sources.
In the actual scenario, the major oil companies are implementing a dual strategy, also through mergers and acquisitions, aiming on one hand to maintain the solidity of their financial portfolios, in line with the positive results achieved in conventional products, and on the other to continue the process of diversifying their investment

portfolios within the framework of the energy transition, also in line with the CO_2 emissions reduction targets announced.
In the field of renewable energy sources, particularly wind energy at sea, 2024 continues to remain below the historical growth rates in terms of launching new wind farms and awarding new contracts. Although some complexity remains – as seen in 2023 and linked mainly to the increase in the cost of materials and services and high interest rates – the prospects in this market remain positive in the medium- and long term, driven by the growing demand for clean energy.

Capital expenditure

Capex carried out during the first half of 2024 focused on the execution of works aimed at class renewal, adaptation of vessels to international regulations and specific requests arising from the projects in backlog and from the clients. Among the vessels subject to in the activities just described were mainly the Saipem 7000, the Saipem Constellation and the Castoro 10. Preparation and planning of maintenance and retrofitting work were also carried out and will be carried out in the second half of the year and the following year.

Asset Based Services

Orders intake

The most significant new contracts in the first half of 2024, related to the Asset Based Services business line, are:
- for ExxonMobil Guyana Ltd and the partners of the Stabroek block, relating to the development of the Whiptail oil field off the coast of Guyana at a depth of around 2,000 metres, Saipem had launched some initial activities (i.e., detailed engineering and procurement of long lead items) and received the authorisation to proceed with the implementation of the remaining project activities. Saipem's activities include the detailed engineering, procurement and the construction and installation (EPCI) of a subsea production facility;
- for TotalEnergies E&P Angola, the Kaminho project as part of the development of the Cameia and Golfinho oil fields, located around 100 kilometres off the coast of Angola, the scope of works for which includes engineering, procurement, supply, construction, installation, pre-commissioning and assistance for commissioning and the start-up phase of a SURF (Subsea, Umbilicals, Risers & Flowlines) package, which includes around 30 kilometres of pipelines, risers and umbilicals;
- for Azule Energy Angola, the Ndungu Field project, part of the Agogo Integrated West Hub project located around 180 kilometres off the coast of Angola. The activities concern the engineering, fabrication, transport and installation of around 60 kilometres of rigid pipes and subsea structures at a depth of around 1,100 metres and the transport and installation of pipes, flexible connectors and 17 kilometres of umbilical cables;
- for Saudi Aramco, two offshore projects in Saudi Arabia as part of the Long-Term Agreement (LTA) in force. In particular, the activities for the first project include the engineering, procurement, construction and installation (EPCI) of a crude oil trunkline measuring around 50 kilometres for the Abu Safa oil field, while those relating to the second project concern the Berri and Manifa oil field production maintenance program.

Work performed

Below are the main projects of the Asset Based Services business line that were underway or were completed during the first half of 2024.

America

In Guyana, for ExxonMobil:
- works continued on the **Yellowtail** project, including the installation of umbilicals, risers, and flowlines; installation activities began in 2024 and will continue in 2025; the vessels FDS 2 and Saipem Constellation are being used;
- work continues on the **Uaru** project, which involves the design, fabrication and installation of subsea structures, risers, flowlines and umbilicals for a subsea production facility; the installation work is scheduled to take place in subsequent years using the vessels FDS 2, Saipem Constellation and Castorone.

In the Gulf of Mexico for Chevron, the activities were completed for the **Jack and Saint Malo JSM-4** project, the scope of which includes the engineering, transport and installation of two modules (a generation module and a water injection module) on the client's existing/operating FPU facility.

In Brazil:
- for Petrobras:
  - the activities continued for the **Buzios 5** project, the aim of which includes procurement, fabrication, and installation of Steel Lazy Wave Risers (SLWR), umbilicals, manifolds, flowlines, well connections, and related facilities for the development of the Buzios field; the project used the vessel FDS;

  - work continued on the execution of the **SURF EPCI Buzios 7** project, which includes the engineering, procurement, construction, and installation of the SLWR and the corresponding interconnecting flowlines between the subsea wells and the FPSO unit, as well as the associated service lines and control umbilicals. In addition, Saipem will be responsible for the supply and installation of the FPSO unit's anchors and its attachment to the reservoir. The installation activities are scheduled for the second half of 2024 using the vessels FDS and Normand Maximus;
- for TotalEnergies, work continued on the execution of the **Lapa Southwest** project, aimed at the engineering, procurement, construction and installation of subsea umbilicals, risers and flowlines, as well as subsea production systems; the installation activities are scheduled to begin in 2025.

In Argentina, for Total, the activities relating to the **Fenix** project continued with the laying of a 37-kilometre pipe; the operational activities were performed in the second half of 2023 using the pipelay vessel Castorone.

North Sea
In Great Britain, for EnQuest:
- work continued on the **Thistle** project relating to the decommissioning of the Thistle A platform, located approximately 510 kilometres north-east of Aberdeen and at a depth of 162 metres; the work includes the engineering, preparation, removal and disposal of the jacket and topsides, with possible extension to further subsea structures, and will be carried out by Saipem 7000 in the coming years;
- work continued on the **Heather** project relating to the decommissioning of the existing infrastructure at the Heather oil field, located approximately 460 kilometres north-east of Aberdeen; the work involves the engineering, preparation, removal and disposal of the upper jacket of the Heather platform using the Saipem 7000 in the coming years.

In Norway, for Equinor, work continued on the **Irpa** project for the installation of an 80 kilometre pipe-in-pipe pipeline that will connect the subsea production facilities of the Irpa field to the existing Aasta Hansteen platform; the installation operations are scheduled for 2025 and will be carried out by the pipelay vessel Castorone.

In Germany, for Gascade, activities continued for the **Ostsee** project, for the transport and laying of a gas line measuring around 50 kilometres and the implementation of the related landfalls, using the Castoro 10 pipelay vessel.

Mediterranean and Black Sea
In Egypt, for Petrobel, work continued on the **Zohr** project for the transportation and installation of high and low-voltage umbilicals and various subsea structure.

In Greece, for Gastrade, activities were completed on the **Alexsandroupolis** project. The works performed by Saipem included the engineering, procurement, construction of a subsea system, and a mooring system for the connection of an FSRU to the national gas transport network.

In Italy:
- for Eni,
  - the work continued under the **Cassiopea** project for the transportation and installation of a rigid pipeline, umbilicals and flexible lines, and the construction of a shore approach;
  - works continued for Snam Rete Gas as part of the **FSRU Ravenna** project. The activities consist of the engineering, procurement, construction and installation of a new offshore structure, linked to an existing one, for the landing and mooring of a floating storage re-gasification unit (FSRU), to be connected to the mainland by an 8.5-kilometre offshore pipeline, plus 2.6 kilometres onshore and a parallel fibre optic cable.

In Turkey, for Turkish Petroleum, work continued on the **Sakarya 2** project, which involves the execution of a FEED (front-end engineering and design), as well as the engineering, procurement, construction and installation of a 175 kilometre long pipeline at a depth of 2,200 metres; the installation operations are scheduled to start in the second half of 2024 using the pipelay vessels Castorone and Castoro 10.

In Romania, for OMV-Petrom, work continued on the **Neptun** project, involving the engineering, procurement, construction and installation (EPCI) of a gas treatment platform at a depth of approximately 100 metres, the development of two subsea fields (at a depth of between 100 and 1,000 metres), a gas pipeline of around 160 kilometres and an associated fibre optic cable from the platform to the coast. The gas treatment platform will be built in the Group's yards in Italy and Indonesia. The installation activities are planned for the coming years.

Africa
In Angola:
- for Azule Energy:
  - activities continued on the **Agogo Full Field** project for the construction and installation (EPCI) of rigid pipe-in-pipe flowlines with associated subsea structures; the installation activities began in the first half of 2024 using the vessel FDS;

  - work continued on the **Quiluma and Maboqueiro WP5A** project for the EPC-based construction of a jacket and deck and the execution of the related hook-up and commissioning;
  - activities began in the **Ndungu** project, awarded during the six-month period, the scope of which includes the engineering, manufacture, transport and installation of around 60 kilometres of rigid pipelines and subsea structures at a depth of 1,100 metres and the transport and installation of pipelines, flexible connectors and 17 kilometres of umbilicals;
- for TotalEnergies, activities began on the **Kaminho** project, awarded during the six-month period, the scope of which includes the engineering, procurement, supply, construction, installation, pre-commissioning and assistance to commissioning and the start-up phase of a SURF (Subsea Umbilicals, Risers, Flowlines) package, including around 30 kilometres of pipelines and risers and umbilicals; the associated structures will be manufactured in the Saipem yard in Ambriz, Angola.

In Mauritania and Senegal, for BP, work continued on the **Tortue** project, the scope of which includes the engineering, procurement, fabrication, installation, hook-up, and commissioning of a breakwater, the associated jetty, and a raised platform for the transport of gas, the hook-up of an FPSO and an FLNG in the Greater Tortue Ahmeyim complex; the structures were built in the Saipem yard in Karimun.

In Libya, for Mellitah Oil & Gas, activities continued on the **Bouri Gas Utilisation** project, which includes the engineering, procurement, manufacture, installation and commissioning of a gas recovery module of approximately 5,000 tonnes on the existing DP4 offshore structure, and the laying of 28 kilometres of pipeline connecting the DP3, DP4 and Sabratha platforms; the installation activities are scheduled to start in 2025 using the vessels Saipem 7000, Saipem 3000 and Castoro 10.

In the Ivory Coast, for Eni, work was completed on the **Baleine SURF phase 1** project for the development of the field of the same name. Activities also continued on the **Baleine phase 2** project; the scope of works includes the engineering, procurement, construction and installation (EPCI) of around 20 kilometres of rigid pipelines, 10 kilometres of risers and flexible jumpers and 15 kilometres of umbilicals connected to a bespoke floating unit. The installation works will start in the second half of 2024 using the vessel Saipem Constellation.

Middle East

In Saudi Arabia, for Saudi Aramco, activities continued under the **Long Term Agreement** signed with the client. The activities carried out during the year mainly involved the deployment of the long-term leased vessel Dehe and the Saipem Endeavour and Bautino vessels.

In Qatar, for Qatargas:
- work continued on the **North Field Production Sustainability (NFPS) EPCOL** project, which involves the engineering, procurement, construction and installation of both subsea and onshore pipelines, jackets and wellhead platforms, as well as the related support activities; the fabrication activities were performed in the Karimun yard;
- work continued for the **North Field Production Sustainability (NFPS) EPC 2** project, which involves the engineering, procurement, fabrication, and installation of two offshore natural gas compressor stations to support the production in the North Field, including two of the largest compression platforms on steel jackets ever built, interconnection bridges, accommodation modules, and interface modules.

In the Arab Emirates, for ADNOC, works continued on the **Hail and Ghasha** project, the scope of which includes the engineering, procurement and construction (EPC) of four drilling centres and a treatment plant to be built on artificial islands, as well as various offshore structures and 300 kilometres of subsea pipeline for connecting the drilling centres to the offshore treatment plant for carrying the oil to the mainland. The project also includes the engineering, procurement and installation of 80 kilometres of power cables and 70 kilometres of umbilicals to carry electricity to offshore rigs. Offshore installation activities are planned to start in 2025.

Caspian Sea

In Azerbaijan:
- for BP, the work continued on the **Shah Deniz - Call-off 007** project;
- for TotalEnergies and Bos Shelf, works were completed on the **Absheron URF** (including the engineering, procurement, construction and installation of pipelines and umbilical systems) and **Absheron T&I** (installation of jackets and platforms) projects.

Australia

- for Chevron, preparatory work continued on the **Jansz-Io** project, which includes the transport and installation of a subsea compressor station, manifold, field control station, as well as umbilicals and other facilities. The offshore activities will be conducted in two phases. The operations are scheduled to start in the second half of 2024;

for Woodside, the works continued for the **Scarborough** project, which includes the laying of a 400 kilometre large-diameter pipeline; the operations involved the pipelay vessel Castorone.

Offshore Wind

Work performed

Below are the main projects that were underway during the first half of 2024.

In United Kingdom, for Neart na Gaoithe, as part of the **NnG Offshore Windfarm** project, all fabrication and offshore installation works had been completed in accordance with the contractual schedule and the client is progressing WTG installation. Close out of punch-list items is now ongoing, as well as the finalisation of all project documentation.

In France, for Eoliennes Offshore du Calvados (EDF Renewables, Maple Power and Skyborne), **Courseulles** project, all required monopiles with relevant transition structures required to support the 64 aerogenerators (WTG), are available for offshore installation. The construction and testing of the one-of-a-kind equipment capable to drill 9.5 metres large and up to 36 metres deep sockets into the seabed, as required for the installation of the monopiles, is completed. Mobilisation of equipment onboard a third party jack-up vessel is completed, and the spread is currently offshore France for the final integration tests and commissioning campaign.

Offshore fleet as of June 30, 2024

Saipem 7000	Self-propelled, semi-submersible, dynamically positioned crane and pipelay vessel capable of lifting structures of up to 14,000 tonnes and J-laying pipelines at depths of up to 3,000 metres.
Saipem Constellation	Dynamically positioned vessel for the reel-lay of rigid and flexible pipelines in ultra-deep-water depths. It is equipped with a 3,000 tonnes crane and a laying tower (800 tonnes capacity) equipped with two tensioners each with a 400 tonnes capacity.
Saipem FDS	Dynamically positioned vessel utilised for the development of deep-water fields at depths of over 2,000 metres. Capable of launching pipes of up to 22” in diameter in J-lay configuration, able to lay quadruple joint pipes (52-metre strings) with a holding capacity of up to 750 tonnes and a crane with lifting capacity of up to 600 tonnes.
Saipem FDS 2	Dynamically positioned vessel used for the development of deep-water fields; it has a J-lay tower with a holding capacity of up to 2,000 tonnes; capable of launching pipes with a maximum diameter of 36”; able to lay quadruple joint pipes (52-metre strings) at depths of up to 3,000 metres. Also capable of operating in S-lay mode with a crane with a lifting capacity of up to 1,000 tonnes.
Castorone	Dynamically positioned pipelay vessel operating in S-lay mode with an S-lay stern stinger of over 120 metres consisting of three sections for shallow and deep-water operations, a tensioning capacity of up to 750 tonnes, pipelay capability of up to 60 inches, on-board manufacturing facilities for double and triple joints and pipe storage capacity in cargo holds.
Saipem 3000	Monohull, self-propelled, dynamically positioned lifting vessel, with drilling tower, capable of laying flexible pipes and umbilicals in waters up to 3,000 metres deep and lifting heavy loads of up to 2,200 tonnes.
Saipem Endeavour	Barge for lifting heavy loads and laying pipes (in S-lay mode), suitable for launching single- or double-joint pipes of up to 60” in diameter for shallow and deep-water operations, with a tensioning capacity of up to 260 tonnes, equipped with a floating launch ramp composed of three sections for deep-water operations, a mini ramp with adjustable structure for shallow-water operations, and a rotating crane with a 1,100 tonne capacity.
Castoro 10	Trench/pipelay barge capable of burying pipes of up to 60” diameter in shallow waters.
Castoro 12	Barge capable of laying pipes of up to 40” diameter in ultra-shallow waters of a minimum depth of 1.4 metres.
Bautino 1	Shallow water post trenching and backfilling barge.
Castoro XI	Heavy-duty cargo barge.
Castoro 14	Cargo barge.
S43	Cargo barge.
S44	Launch cargo barge, for structures of up to 30,000 tonnes.
S45	Launch cargo barge, for structures of up to 20,000 tonnes.
S46	Cargo barge.
S47	Cargo barge.

Main leased vessels as of June 30, 2024

Dehe	Dynamically positioned vessel for laying pipes and lifting heavy loads of up to 5,000 tonnes, capable of deep-water installations up to depths of 3,000 metres and laying pipes with a tensioning capacity of up to 600 tonnes in S-lay mode.
Normand Maximus	Dynamically positioned vessel for laying umbilicals and flexible lines up to depths of 3,000 metres equipped with a 900 tonnes crane and a vertical tower with a tensioning capacity of up to 550 tonnes and the possibility to lay rigid pipes.
Vol au Vent	Jack-up for lifting and installing wind turbines at sea, equipped with a 1,500 tonnes crane and an on-board storage area of around 3,500 square meters able to work a depths of up to 90 metres and host up to 90 people on board.
Skandi Acergy	Support vessel for offshore projects with a 7,000 tonne storage capacity, equipped with a ROV hangar, moon pool, 100 tonnes support crane and 125 tonnes subsea equipment laying tower.

ENERGY CARRIERS, SUSTAINABLE INFRASTRUCTURES AND ROBOTICS & INDUSTRIALIZED SOLUTIONS

Introduction

Onshore Engineering & Construction projects fall under the Energy Carriers business line, while the Sustainable Infrastructures business line manages the Sustainable Infrastructures segment. The Robotics & Industrialized Solutions business line – responding to the new needs of the energy sector, integrates the technical-operational skills dedicated to the development, engineering and execution of modular, repeatable, and scalable systems, as well as monitoring and maintenance services based on digital technologies. Comments on the projects managed by the three Business Lines are shown separately below.

General overview

The Saipem Group's Onshore Engineering & Construction is focused on the execution of large-scale projects with a high degree of complexity in terms of engineering, technology, and operations, with a strong bias towards challenging projects in difficult environments and remote areas.
Saipem enjoys a worldwide leading position, providing a complete range of integrated basic and detailed engineering, procurement, project management and construction services, principally to the Oil&Gas, complex civil and marine infrastructure and environmental markets.
In the Sustainable Infrastructure segment, the Saipem Group is mainly active in the design and construction of complex infrastructure projects, especially in the transport sector, such as railway lines and in particular High Speed/High-Capacity lines. These are complex works in terms of engineering and construction requiring an increasing implementation of innovative digital and technological solutions capable of guaranteeing resilience and energy efficiency, and which meet the requirements of the European taxonomy (DNSH principle "Do Not Significant Harm"), the classification system for environmentally sustainable economic activities, capable of meeting the Sustainable Development Goals (SDGs) included in the United Nations 2030 Agenda.

Energy Carriers

Market conditions

The onshore reference market recorded a significant increase in activity in the first half of 2024 compared to 2023, particularly in the upstream (e.g., floaters) and midstream (LNG and regasification) segments. Growth spanned across all geographical areas, except for Russia, with particular visibility in the Saipem Group's main areas of interest, such as the Middle East, Africa, Europe and Asia.
In terms of the ongoing activities in the various markets, the relevance of the midstream and downstream segments strengthened, with several significant developments in the gas monetization and fertiliser sectors in the Americas, Africa, the Middle East and Europe, and in the upstream and petrochemical sectors in the Middle East and Asia. The LNG market, even following the Russia-Ukraine conflict, shows the relaunch of initiatives in the Middle East and in Africa, primary sources for gas supply alternative to Russian gas. Similarly, pipeline activities have resumed in all geographical areas, particularly Europe and the Middle East, Saipem's main areas of interest. In the upstream segment, following the sharp slowdown in the last two years, signs of strong recovery in the Arab Emirates and Saudi Arabia are now visible. In the Floaters segment, significant volumes are confirmed in Latin America and Africa.
As far as renewables and green technologies in general (hydrogen, biofuels, biochemistry, and CO_2 capture) are concerned, the visibility of projects in Europe, North Africa, the Middle East, and Asia is increasing.

Capital expenditure

Capital expenditure in the first half of 2024 in the Energy Carriers business line mainly related to the acquisition and maintenance of equipment.

Orders intake

The most important orders for the first half of 2024 include:

- for TotalEnergies E&P Angola, relating to the Kaminho project as part of the development of the Cameia and Golfinho oil fields, located around 100 kilometres off the coast of Angola. The first contract concerns the engineering, procurement, construction, transport and commissioning of the FPSO Kaminho vessel; the second contract includes the operation and maintenance of the same FPSO vessel for a period of 12 years and a potential extension of 8 years;
- for Eni SpA, the preliminary contract for Livorno Biorefinery in Italy. The project involves a bio-refinery with 10,000 barrels per stream day in the existing refinery in Livorno for the production of biodiesel and biojetfuel. For Saipem the scope of works includes the HVO unit (Ecofining technology) and common parts.

Work performed

The following are the largest and most significant projects, related to the Energy Carriers business line, ongoing or completed during the first half of 2024.

In Saudi Arabia:

- for Saudi Aramco:
  - the **Hawiyah Gas Plant Expansion** project for the expansion of the Hawiyah gas treatment plant located in the south-eastern part of the Arabian Peninsula has been completed and is currently in operation. The warranty period will end by the end of the year;
  - the mechanical completion was signed for the **South Gas Compression Plants Pipeline Project** related to the development of the Haradh Gas Plant (HdGP) located in the east of the country; the project includes the review of detailed engineering developed by the customer, the procurement of all materials except for the carbon steel line pipe, lined plant lines and related valves supplied by the customer, as well as construction, pre-commissioning and commissioning assistance. Some additional works requested by the customer are currently in progress;
  - for the **Marjan** project, an EPC contract for the implementation of "Package 10" of the Marjan field development programme, which includes gas treatment, sulphur recovery and tail gas treatment plants, construction and precommissioning activities are underway. The flooring and buildings are almost completed, while the pipework and electro-instrumental works assembly and commissioning, insulation and pre-commissioning are underway. The loop checks and engine run-tests have begun;
  - for the **Berri** project, an EPC contract to increase the capacity of the field of the same name through the construction of new facilities in Abu Ali and Khursaniyah, the engineering works are practically completed; the civil construction, installation of metal structures and equipment are in progress, and the tank and piping assembly activities have begun. The electrical-instrumental activities have begun on the Abu Ali island site;
  - for the **Jafurah** project, which includes the execution based on an EPC Lump Sum of approximately 800 kilometres of various types of pipelines and features within the development programme for the Jafurah gasfield located on the border between Saudi Arabia and Qatar, the engineering and procurement activities have been completed and the fabrication and delivery of materials to the site are underway. As concerns the construction, the pipeline laying activities are proceeding, while the civil activities and mechanical prefabrication for the surface works are underway.

In Kuwait:

- for Kuwait Oil Co (KOC), for the **Feed Pipelines for New Refinery** project, having completed the crude-in activities towards the new refinery and the commissioning of all systems, the works were handed over to the customer and provisional acceptance of the works is pending, with the start of the warranty period. The contract included engineering, procurement, construction, and commissioning activities related to the development of the new connection lines and related pumping station and measurement of the new Al-Zour refinery located in south Kuwait;
- for Kuwait Integrated Petroleum Industries Co (KIPIC), for the **Al-Zour Refinery** the construction and partial handover to the customer have been completed for the various units included in the contract. The performance tests have been completed and the acceptance certificate is pending, with the start of the warranty period. The project encompasses design, procurement, construction, pre-commissioning, and assistance during commissioning tests, start-up, and checks on the performance of tanks, related road works, buildings, pipelines, piping support frames, water works and control systems for the Al-Zour refinery.

In Iraq, for PetroChina (the company with which Exxon signed the contract in early 2024), as part of the **West Qurna I** project, the construction activities were completed during the plant shut-down and the warranty period is currently running. The project involved the execution of infield engineering, pre-fabrication, and construction relating to some tie-ins to existing plants owned by Bassra Oil Co.

In Oman, for OQ8 (joint venture between OQ and Kuwait Petroleum International), for the **Duqm Refinery Package 3** project, the engineering, procurement, construction and commissioning activities in the storage and export bulk (pet-coke and sulphur) portions have been completed ready for handover to the customer. In the first half of the year, the first vessels were loaded with sulphur and pet coke and the last activities leading to the start of the warranty period are being completed.

In Israel, for Haifa Group, as part of the **Ammonia Plant** project, the engineering and procurement activities are nearing completion. Following the initiation of the civil and mechanical construction activities, the execution of the on-site work was slowed down by the consequences of the events of October 7, 2023 connected to the clashes between the state of Israel and Hamas. In agreement with the customer, the work is continuing to the extent possible under the circumstances. The contract involves the implementation of an ammonia plant at the Mishor Rotem site.

In the United Arab Emirates:

- for ADNOC Sour Gas, a subsidiary of Abu Dhabi National Oil Co (ADNOC), the construction activities have been completed for the expansion and upgrade of the Shah facility relating to WP1 and WP2 has been completed and the work relating to WP3 is being completed for the **Optimum Shah Gas Expansion (OSGE) & Gas Gathering** project. The contract entailed the expansion and strengthening of the already operating Shah plant;
- for ADNOC, the engineering and procurement activities are underway and the site areas are under preparation for the contract relating to the "Offshore" package of the **Hail and Ghasha Development Project**, in joint venture with National Petroleum Construction Co (NPCC). The scope of the project is to develop resources in the Hail and Ghasha natural gas fields, located off the coast of Abu Dhabi, in the United Arab Emirates. The scope of works performed by the Energy Carriers Business Line includes the engineering, procurement, construction (EPC) of four drilling centres and a treatment plant to be built on artificial islands;
- for Abu Dhabi Gas Operation & Marketing Llc, engineering activities have begun for the recently awarded contract for a competitive **FEED** relating to debottlenecking, energy improvement and GHG emission reduction of the **LNG** plant in Das Island and the installation of a new pipeline connecting Das Island to the onshore plant.

In Indonesia, for BP Berau Ltd, in joint venture with PT. Tripatra Engineers and Constructors, PT. Tripatra Engineering, PT Chiyoda International Indonesia, Chiyoda Corp, the third LNG train in the **Tangguh LNG Expansion** project delivered to the customer at the Tangguh site, Papua, is now producing at full capacity. The Performance Test was passed in the first half of 2024 and the warranty period has begun. Two auxiliary units are nearing completion, and on delivery the site will be closed.

In Thailand:

- for PTT LNG Co Ltd (PTTLNG), in joint venture with CTCI Corp, the PAC (Provisional Acceptance Certificate) has been formalised for the **Nong Fab LNG** project, which involved the construction of a regasification terminal, including storage tanks and jetty for LNG imports. All start-up and performance test activities on the plant were completed are the warranty period has started;
- for Thai Oil, in joint venture with Petrofac International (UAE) Llc and Samsung Engineering Co Ltd, the **Clean Fuel** project is in progress, involving the construction and start-up of new units within the Sriracha refinery. Design and procurement activities are substantially complete, with the last equipment being shipped. All modules have been delivered. Prefabrication of piping is ongoing for the remaining quantities, as is the execution onsite of civil works, building, completion of underground works and installation of metal structures. Welding of piping in ongoing in the areas along the critical path.

In Australia, for Perdaman Chemicals and Fertilizers Pty Ltd, in joint venture with the local company Clough (part of the Webuild group), the engineering, procurement and construction activities continue on the urea production plant called **Burrup Urea Project**. The project is on an EPC lump sum basis for a plant that will have a production capacity of 6,200 tonnes/day of urea. The project stands out for the high levels of energy efficiency and degree of modularisation. In the first half of the year, earthworks were performed at the site and the preparatory activities for the civil works were completed.

In Nigeria:

- for Dangote Fertilizer, as part of the **Dangote** project, for the new ammonia and urea production plant, the last works planned during the plant shut-down were completed and the site was demobilised. Negotiations are currently underway with the customer to reach an overall commercial agreement for the financial closure of the project. The scope of work encompassed engineering, procurement, construction supervision and commissioning of two twin production streams and related utilities located at the Lekki Free Trade Zone, Lagos State;
- for Nigeria LNG Ltd (NLNG), as part of the EPC contract **LNG Bonny Train 7**, in joint venture with Daewoo and Chiyoda Corp, the engineering, material procurement and construction works continue. In particular, the marine works continue for the construction of Jetty 3 and a plant for the prefabrication, mechanical, electrical and instrumental assembly activities (both for the cable installation and the works in the substations). The project involves the construction of a double natural gas liquefaction plant, as well as all the necessary utilities and port facilities for export, for the expansion of the existing LNG plant at Finima on Bonny Island.

In Mozambique, for TotalEnergies E&P Mozambique Area 1 Ltda (which acquired the Anadarko interests during 2019 for the Mozambique LNG project), in a joint venture with McDermott Italia Srl and Mirai Engineering Italy Srl, Saipem is developing an **LNG plant** project consisting of the construction of two natural gas liquefaction trains, as well as all necessary infrastructure, storage tanks and port facilities for export. However, on instruction from the customer TotalEnergies, the project has been on hold since spring 2021, due to a series of armed attacks in the town of Palma. Despite having evacuated the site, Saipem has continued to manage a residual part of the project activities outside the country, that have not been suspended. Saipem has also been cooperating and maintaining contact with the customer to implement measures both to preserve the value of the project, but above all to ensure the prompt resumption of work as soon as conditions required by TotalEnergies have been restored, including securing the safety of the area.

In Angola:
- for Solenova (JV between Sonangol and Eni), for the **solar plant** for the production of electricity feeding into the National Grid, operation & maintenance (O&M) activities have been underway since June 2023 and will last for 24 months;
- for Azule Energy (Eni & BP JV), the engineering, procurement and construction activities continue for the **Quiluma and Maboqueiro project for the Onshore Gas Treatment Plant**, which involves the construction of a grass roots plant for gas treatment and compression in the northern region of the country. In particular, the civil and mechanical works are in progress at the site and the works relating to two buildings in the electrical substation have been completed.

In Canada, for DOW Chemicals, detailed engineering and procurement services are underway on a reimbursable basis (with the materials purchased by the customer) in the **FS P2Z LP8 Gas Phase** project for the implementation of a polyethylene plant which is part of a zero-emissions petrochemical mega-project in the state of Alberta.

In Mexico, for Proagro, Saipem is working on the "Gas monetisation" programme and **Proagroindustria Rehab Urea Plants** on the commissioning and subsequent start-up of the Urea Train 2 at the Pajaritos plant, which is under completion. The Urea 2 plant is currently in operation and under stabilisation for the envisaged production. Furthermore, the modernisation of the Urea 1 Train is under completion for the same plant.

In Italy, for Eni, following the completion of the FEED for a **bio-refinery in Livorno** in the industrial complex of the city of Livorno as part of a preliminary contract awarded in the first half of the year, the EPC activities under the contract have begun. The contract involves the provision of home office services and the site supervision on a lump sum basis, while the procurement and construction will be managed on a reimbursable basis. The contract may be converted to a lump sum basis in future after completing 60% of the 3D Model Review. The scope of works includes the implementation of an HVO (hydrotreated or hydrogenated vegetable oil) unit, based on UOP/Eni technology, with the capacity to treat a load of 10,000 BPSDs, and the interconnecting facilities for integration into the existing plant.

Floaters and Operation & Maintenance

The biggest and most important projects under way or completed during the first half of 2024 were as follows.

In the "Leased FPSO" segment, the following vessels carried out operations during the first half of 2024:
- the Saipem-owned unit **FPSO Gimboa** carried out operations for Sonangol P&P under a contract for the development of the Gimboa field, located in Block 4/05 offshore Angola, at a water depth of 700 metres. The vessel has the size for a production, treatment and storage capacity of 60,000 barrels/day. Discussions are underway with Sonangol for the relocation of the FPSO in the same block.

In Mozambique, O&M services for Coral FLNG SA (JV of Eni and other partners) are underway for **Coral's FLNG** unit, as part of the eight-year (plus one optional) contract.

In Angola, for TotalEnergies:
- the O&M services of the **FPSOs Kaombo Norte** and **Kaombo Sul** continue, for a total seven-year period, plus an additional seven optional years;
- for the two contracts awarded in the first half-year, respectively for the design, implementation and installation and for operation & maintenance services for 12 years for the FPSO for the **Total Kaminho FPSO Block 20/11** project:
  - the FPSO is planned to be designed in Europe and India, while the construction phase is planned in China. The FPSO will be based on the conversion of an existing oil ship made available by the customer. For the EPSCC contract, the design and procurement of the main components have just begun while the subcontracts for the construction activities are almost finalised;
  - for the O&M portion, preparation activities have begun prior to the performance of the operations.

In Ivory Cost, the O&M services continue on the **FPSO Firenze**, re-named **Baleine**, for Eni in the related contract. The unit will work for the next 15 years offshore of the Ivory Coast. In the contract for the modification and refurbishment works, the performance test on the export gas compressors was passed and the operational readiness certificate (ORC) issued.

In Russia, for the **Arctic LNG 2 GBS** project (in JV with Ronesans – customer Arctic LNG 2 – scope of works: EPC) there are no residual activities and the contractual relationship with the customer will soon be concluded, and is currently being formalised, in full compliance with community regulations.

In Brazil, for Petroleo Brasileiro (Petrobras), in a joint venture with Hanwha Offshore (formerly Daewoo Shipbuilding & Marine Engineering (DSME)), engineering, procurement and construction activities are ongoing on the **P79** project, for the construction of a floating production and storage unit (FPSO) for the development of the Búzios offshore field in Brazil, made in three yards (two in the Far East and one in Brazil).

In Congo, for Eni Congo, the engineering, procurement and construction works continue for the **Eni Congo LNG/Scarabeo 5 Conversion** project. The project involves the reconversion of Scarabeo 5 into a floating unit for the separation and compression of gas produced in offshore fields. The vessel is currently in the CIMC yard in China for the conversion activities.

Sustainable Infrastructures

Market conditions

In the Sustainable Infrastructure sector, Saipem is focusing its activities mainly on the initiatives included in the National Recovery and Resilience Plan (NRRP) and in the list of strategic works for the development of sustainable mobility, also thanks to the vast experience accumulated over the years as the leader of the consortia formed for the construction of the Milan-Bologna and Milan-Verona High Speed/High Capacity railway lines.
The Infrastructure sector in Italy continued to show positive short- and medium-term signs due to the major investments deriving from the NRRP, which is also expected to act as a long-term driver for further development in both the railway sector and sustainable mobility in a broader sense.
In the medium/long-term, the Business Line is also focused on projects that are not strictly in the railway sector and based outside Italy.

Orders intake

There were no new orders in the first half of 2024.

Work performed

The biggest and most important projects under way during the first half of 2024 were as follows.

In Italy:
- on behalf of Rete Ferroviaria Italiana:
  - the CEPAV 2 Consortium is building the **HS/HC Brescia East-Verona line**. Specifically, all the tunnels have been fully bored and the new bridge over the Mincio river has been completed, while all the civil works have continued towards the activation of the new section of line that runs alongside the Milan-Venice motorway and the historic railway line, crossing some 13 municipalities that are densely populated and industrially productive;
  - regarding the **Florence railway link** and associated new HS station at Belfiore work has begun with the boring of around 1,000 metres of the first tunnel of the link, the completion of the foundation piles for the new HS station and the deep consolidation work for various buildings and infrastructure ahead of continued underground boring;
  - the new **Verona HS Node** has so far progressed only in the planning stage, which was finalised in the first half of the year. Activities to prepare worksites have begun (removal of vegetation, ordnance clearing, related work) and will last for several months;
  - during the first half of 2024, work on the **duplication of the Piadena-Mantua line** has mainly involved planning activities and its inclusion within the scope of the NRRP, following complex negotiations with RFI. Some worksite preparation activities were begun in the first half, but site activities will get gradually under way during the second half of the year.

Robotics & Industrialized Solutions

Market conditions

The reference markets of the Robotics & Industrialized Solutions Business Line are characterised mainly by subsea robotics services linked to the integrity of the critical offshore infrastructures and technologies supporting energy transition, with particular reference to the capture of carbon dioxide emissions, the production of green hydrogen and its derivatives (often indicated by Power-to-X) and the chemical recycling of plastics. The Business Line offers modularised and industrialized solutions enabling a wide range of new clients who need to reduce their carbon footprint, even outside the traditional perimeter of the Group.

The energy transition activities are suffering from the price pressure related to the geopolitical situation and the positive trend of conventional Oil&Gas investments that are absorbing a large part of the market supply. Consequently, initiatives assessed in the past under more favourable market conditions have to be reassessed in the light of the increased costs, with the consequent delay in the final investment decision times.

As far as the CCUS market is concerned, the Business Line focuses in particular on the European context, thanks to a mature regulatory framework capable of favouring the development of new initiatives. Public funding to support these initiatives is growing strongly both in Europe (Norway and the UK, in particular) and in the United States. The value of the emission allowance traded on the ETS market (Emission Trading System) has remained at average values throughout the first half of the year (average €65 per tonnes of CO_2). This parameter is identified as an enabling factor for investments in the context of emission capture. In addition, the recent European directives issued under the Fit for 55 programme (referring to the 55% emissions reduction target by 2030) are introducing new industrial sectors, such as the maritime sector, into the allowances market. The good progress made in the preparation of the carbon dioxide storage hubs, particularly in the North Sea area, further support the definition of business cases and the potential sanction of CCS projects.

Power-to-X includes major volumes of incentives in Europe to support a market that also aims to reduce the impact of so-called hard-to-abate emissions, such as fuels for air and maritime transport, steel, concrete, chemicals and refining. In this scenario, hydrogen is an energy carrier able to promote zero-emissions activities. There are also several large-scale investments outside Europe, such as in Oman, and the implementation of supporting policies in countries such as India and Japan.

Particular attention is paid to the developments of the chemical recycling of plastics market, driven by new and increasingly stringent regulatory frameworks, as well as by a growing attention towards a less impactful production of plastics to support the circularity of the industry.

Like the new energy transition sectors, the Business Line's commitment continues also in traditional markets, constantly looking for solutions to reduce its carbon footprint and to achieve higher levels of efficiency. In this context, Saipem offers its customers the use of advanced autonomous robotic solutions for underwater inspections, capable of significantly reducing consumption and emissions compared to traditional technologies. The geographical areas of greatest interest are those of South America (Brazil) and Northern Europe (Norway).

The protection of the environment and critical – particularly subsea – structures remains a central focus; these markets have become more relevant due to the recent developments in energy transition and the evolution of the geopolitical situation.

Orders intake

The most important order acquired in the first half of 2024 concerns the contract for Greenstream BV for the provision of integrated engineering, inspection, maintenance and emergency services for the Greenstream gas pipeline through Sonsub, its centre of excellence for subsea robotics. With this contract, Saipem will manage the integrity of a subsea infrastructure fundamental for Italian energy supply, with an integrated approach to inspection, engineering and readiness assessment services, confirming the Company's leadership in the subsea sector with readily available and efficient solutions.

Work performed

In the first half of 2024, the performance of the largest and most important subsea robotics project is that relating to the contract for Equinor, in the **Njord** oil field, where Hydrone-R, a drone for subsea operations, achieved a world record, with 165 days of continuous subsea operation. The ROV Hydrone-W, a completely electrical, remote-controlled subsea robot, completed the final test phases on land and will soon be mobilised in the field to start the contractual operations.

In the industrialised solutions, works on the FEED projects for **BEECS Exergy** in Stockholm are proceeding with several initiatives to optimise costs and confirm the feasibility of the projects within the budget set by the customer.

In the same way, the work performed for the **Rengas FEED** project in Finland, aiming to produce green methane from the captured CO_2 and from green hydrogen, is under development with many value engineering flows aiming to reduce the capex budget for the customer.

A FEED project, aiming to identify the CAPEX and reach the final decision on the investment by the fourth quarter of 2024, has been finalised for the construction of a CCUS unit in an Eni facility in Italy.

OFFSHORE DRILLING

General overview

As of June 30, 2024, Saipem's Offshore Drilling fleet includes fifteen vessels, divided as follows: six ultra deep-water/deep-water units for operations at depths of up to 3,600 metres (drillships Saipem 12000, Saipem 10000, Santorini and Deep Value Driller; the semi-submersibles Scarabeo 8 and Scarabeo 9), eight high-specification jack-ups for operations at depths of up to 400 feet (Perro Negro 7, Perro Negro 8, Perro Negro 9, Perro Negro 10, Perro Negro 11, Perro Negro 12, Perro Negro 13 and Pioneer) and one standard jack-up for operations at depths of up to 150 feet (Perro Negro 4). Among the aforementioned Saipem drilling rigs, the following are owned by third parties: the jack-ups Pioneer, Perro Negro 9, Perro Negro 11, Perro Negro 12, Perro Negro 13 and the drillship Deep Value Driller.
During the half year, the Offshore Drilling fleet operated in Norway, Egypt (on the Red Seaside and Mediterranean Sea side), West Africa (Angola and Ivory Coast), Mexico and Saudi Arabia.

Market conditions

In continuity with the close of the previous financial year, 2024 opened with a climate of general market recovery. Against this background, the announcement in late January by Saudi Aramco, the main oil company in the shallow water sector, relating to the review of its oil production expansion programme aroused some surprise (with a cut from 13 million to 12 million barrels a day). As concerns the offshore drilling sector, the main consequence of Aramco's change in strategy was the suspension of activities for up to 12 months for a significant part (around 20%) of the jack-ups contracted by the Saudi company. This led the international contractors working in the country (those most affected by the contractual suspensions) to assess alternative opportunities in other markets, consequently creating the conditions for an excessive supply in the shallow water segment in the short term. It is in any case a fairly consolidated opinion among analysts that the excessive supply situation described above is to be considered transitory, as in the medium- and long term, the market is expected to be able to absorb the units leaving Saudi Arabia. The turbulence caused by Saudi Aramco in the shallow water market instead only marginally affected the deep water segment (where the Saudi company does not operate).
Oil prices generally continued to remain at stable values, only partly affected by Aramco's change in strategy; for the whole of the first half of the year, price levels remained at between 80 and 85 dollars/barrel, in line with the end of 2023, with peaks just over 90 dollars/barrel in April. Consistent with the oil price trends, utilisations have continued to remain at quite high levels, also in the shallow water segment where the effect of Aramco's contractual suspensions will be more evident in the second half of the year.
The number of the drilling rig exit by the market, which had already decreased significantly in 2022, was confirmed at lower levels with 4 units withdrawn during the six month period.

Orders intake

Among the most significant awards in the first six months are, for Burullus Gas Co, the exercise of the option to drill 3 more wells in Egypt using the 6th generation semi-submersible unit Scarabeo 9; the activities will be performed after the firm period acquired last year.

Capital expenditure

During the first half of the year, activities were carried out aimed at the refurbishment and adaptation of vessels to comply with the international regulations and the requirements of clients. Among the rigs involved in the maintenance and adaptation activities required by clients, were in particular the Scarabeo 9 semi-submersible unit, and the jack-ups Perro Negro 13 and Pioneer. Preparation for maintenance activities to be performed in the second half of the year and in the following year continued.

Work performed

During the first half, the fleet was used as follows:
- ultra deep water/deep water units: the drillship **Saipem 12000** continued to operate in Angola for Azule; the drillship **Saipem 10000** continued to operate in Italy for Eni in the Cassiopea project; the drillship **Santorini** continued to operate in Egypt to start activities for Petrobel and, from April, was moved to Ivory Coast for operations for Eni; the drillship **Deep Value Driller** continued to operate in Ivory Coast under a contract with Eni;

the **Scarabeo 9** semi- submersible unit completed its maintenance activity and from March began to operate in Egypt for Burullus; the **Scarabeo 8** semi-submersible unit continued to operate in Norway for AkerBP;
- high specification jack-ups: the **Perro Negro 7**, **Perro Negro 8** and **Perro Negro 12** units continued to operate for Saudi Aramco in the Saudi Arabian offshore area; the **Perro Negro 13** unit also commenced operations during the year under a previously acquired multi-year contract with Saudi Aramco; the **Perro Negro 9** and **Perro Negro 10** units continued to operate respectively until May and April; following the client's decision to suspend operations for up to 12 months the vessels were placed in stacking; the **Pioneer** unit continued to operate for Eni in Mexico;
- standard jack-ups: the **Perro Negro 4** continued to operate in the Red Sea for Petrobel.

Utilisation of vessels

The main vessel utilisation in the first half of 2024 was as follows:

		First half 2024	
Vessel	(No. of days)	**Under contract**	**Idle**
Semisubmersible platform Scarabeo 8		182	
Semisubmersible platform Scarabeo 9 (1)		155	27
Drillship Saipem 10000		182	
Drillship Saipem 12000		182	
Drillship Santorini		182	
Drillship Deep Value Driller (*)		182	
Jack-up Perro Negro 4		182	
Jack-up Perro Negro 7		182	
Jack-up Perro Negro 8		182	
Jack-up Perro Negro 9 (2) (*)		147	35
Jack-up Perro Negro 10 (2)		118	64
Jack-up Perro Negro 11 (*)		182	
Jack-up Perro Negro 12 (1) (*)		175	7
Jack-up Perro Negro 13 (1) (*)		56	126
Jack-up Pioneer (*)		182	

(1) Days on which the vessel underwent class reinstatement/preparation works.
(2) Days in which the vessel was in stacking following the temporary suspension of activities requested by the client Saudi Aramco.
(*) Leased vessel.

FINANCIAL AND ECONOMIC RESULTS

Macroeconomic scenario

The current scenario is characterised by a prolonged positive phase in Saipem's reference markets, in line with the expected growth in terms of macroeconomic indicators and overall energy demand. However, some continuing uncertainties on the geopolitical front (in particular, the Russia-Ukraine conflict and the Israeli-Palestinian crisis) and on the economic front, related to growing risks on global supply chains, have increased the risk of economic instability at global level, which has demanded further attention from Management in making accounting estimates and significant judgements. As a consequence, some areas of the financial statements may be influenced by recent events and macroeconomic circumstances, also in view of more uncertain estimates.
With regards to the increase of the price of oil and natural gas, the Company deems that the short-term volatility could impact the Group's results limitedly, given the nature of its activities, which are characterised by contracts with completion times over several years, depending on the complexity of the projects. In the longer term, an improvement in the external environment is confirmed, driven by the multi-year growth phase in the Oil&Gas market and the consolidation of opportunities in energy transition and clean technologies.
With regard to the Group's projects that involved the operations in Russia and/or with Russian customers, there are no remaining activities and the related contractual relations with customers have been concluded (some of which are in the process of formalisation) in compliance with the applicable regulations.
The Company confirms that it conducts its operations in relation to the Russian Federation in full compliance with the provisions established by the national and international institutions.
It should be noted that there are no activities managed by Saipem, nor personnel in any Ukrainian territory affected by the conflict.
In line with the previous plans, the 2024-2027 Strategic Plan does not envisage the acquisition of new contracts in Russia.
With regard to the operations in Israeli territory, Saipem has a contract in place for the construction of an ammonia production plant for a local customer, for which the engineering and procurement activities are nearing completion. Following the initiation of the civil and mechanical construction activities, the execution of the on-site work was slowed down by the consequences of the events of October 7, 2023 connected to the conflict between the state of Israel and Hamas. In agreement with the customer, the work is continuing to the extent possible under the circumstances.

Operating results

The information to the market, in accordance with the requirement of IFRS 8, is prepared following the reporting segments below:
- Asset Based Services, which includes the Offshore Engineering & Construction and Offshore Wind activities;
- Offshore Drilling; and
- Energy Carriers, which includes the Onshore Engineering & Construction, Sustainable Infrastructures, and Robotics & Industrialized Solutions activities.

The sectors clustered in the reporting segments above have similar economic characteristics; moreover, the Offshore Wind, Sustainable Infrastructures and Robotics & Industrialized Solutions sectors are not, at present, so significant that they deserve separate reporting, in accordance with IFRS 8. Given its relevance and economic characteristics, the Offshore Drilling sector is reported separately.
Discontinued operations include the remaining activities, in Argentina, Kazakhstan and Romania, of the Onshore Drilling (DRON) business, the transfer of which was completed on June 30, 2024.

Saipem Group - Income statement (*)

Year 2023	(€ million)	First half 2024	First half 2023	% Ch.
11,874	**Core business revenue**	6,418	5,347	20.0
23	Other revenue and income	1	2	
(9,236)	Purchases, services and other costs	(4,880)	(4,099)	
1	Net reversals of impairment losses (impairment losses) on trade receivables and other assets	(2)	(14)	
(1,736)	Personnel expenses	(972)	(826)	
926	**Gross operating margin (EBITDA)**	565	410	37.8
(489)	Depreciation, amortisation and impairment losses	(310)	(218)	
437	**Operating result (EBIT)**	255	192	32.8
(167)	Net financial income (expense)	(73)	(87)	
60	Net gains (losses) on equity investments	10	13	
330	**Pre-tax profit (loss)**	192	118	62.7
(145)	Income taxes	(74)	(78)	
185	**Profit (loss) before non-controlling interests**	118	40	
-	Profit (loss) attributable to non-controlling interests	-	-	
185	**Profit (loss) for the period - Continuing operations**	118	40	
(6)	**Profit (loss) for the period - Discontinued operations**	-	-	
179	**Profit (loss) for the period**	118	40	

(*) The results of the Onshore Drilling segment divested as at June 30, 2024, have been recognised as Discontinued operations in accordance with the criteria set out in IFRS 5. Revenues and associated profit levels are not consistent over time, as they are influenced not only by market performance but also by climatic conditions and individual project schedules in the Engineering & Construction sector, and by contract expiry and renegotiation timing in the Drilling sector.

Core business revenue during the first half of 2024 amounted to €6,418 million.
Gross operating margin (EBITDA) was €565 million. Depreciation, amortisation and impairment losses on property, plant, equipment, intangible assets and right-of-use of leased assets totalled €310 million.
The **operating result (EBIT)** achieved in the first half of 2024 is a €255 million profit.
The main variations relating to the income statement items above are detailed below in the analysis by segment.
Net financial income (expense) was negative for €73 million, a decrease of €14 million.
Net gains (losses) on equity investments was positive for €10 million, in line with the corresponding period of 2023.
Pre-tax profit amounted to a profit of €192 million. Income taxes amount to €74 million compared to €78 million in the corresponding period of 2023.
The **Continuing operations net income** shows a profit of €118 million (profit of €40 million in the first half of 2023). In the first half, non-recurring expenses have not been recognised, and the **result from Discontinued operations** is null, as in the corresponding period of 2023.

Saipem Group - Adjusted income statement

Year 2023	(€ million)	First half 2024	First half 2023	% Ch.
11,874	**Core business revenue**	**6,418**	**5,347**	**20.0**
23	Other revenue and income	1	2	
(9,236)	Purchases, services and other costs	(4,880)	(4,099)	
1	Net reversals of impairment losses (impairment losses) on trade receivables and other assets	(2)	(14)	
(1,736)	Payroll and related costs	(972)	(826)	
926	**Adjusted gross operating margin (EBITDA)**	**565**	**410**	**37.8**
(489)	Depreciation, amortisation and impairment losses	(310)	(218)	
437	**Adjusted operating result (EBIT)**	**255**	**192**	**32.8**
(167)	Net financial expense	(73)	(87)	
60	Net gains (losses) on equity investments	10	13	
330	**Adjusted pre-tax profit (loss)**	**192**	**118**	**62.7**
(145)	Income taxes	(74)	(78)	
185	**Adjusted profit (loss) before non-controlling interests**	**118**	**40**	
-	Profit (loss) attributable to non-controlling interests	-	-	
185	**Adjusted net profit (loss) for the year - Continuing operations**	**118**	**40**	
(6)	**Adjusted net profit (loss) for the year - Discontinued operations**	**-**	**-**	
179	**Adjusted net profit (loss) for the year**	**118**	**40**	

Revenues and associated profit levels are not consistent over time, as they are influenced not only by market performance but also by climatic conditions and individual project schedules in the Engineering & Construction sector, and by contract expiry and renegotiation timing in the Drilling sector.

Adjusted operating profit and costs by function

Year 2023	(€ million)	First half 2024	First half 2023	% Ch.
11,874	**Core business revenue**	**6,418**	**5,347**	**20.0**
(11,032)	Production costs	(5,917)	(4,961)	
(108)	Idle costs	(92)	(39)	
(124)	Selling expenses	(57)	(59)	
(32)	Research and development expenses	(14)	(14)	
19	Other operating income (expenses)	-	1	
(160)	General expenses	(83)	(83)	
437	**Adjusted operating result (EBIT)**	**255**	**192**	**32.8**

The Saipem Group achieved core business revenue of €6,418 million in the first half of 2024, an increase of €1,071 million – a 20% growth compared to the first half of 2023.
Production costs, which include direct costs of sales and depreciation of the vessels and equipment used, were in total €5,917 million, an increase of €956 million compared to the first half of 2023, consistent with the higher volumes.
Idle costs increased by €53 million compared to the first half of 2023, which benefited from the almost full operation of the offshore fleet. Selling expenses, equal to €57 million, were almost in line with the amounted recorded in the corresponding period of 2023, as well as the research and development expenses recognised as operating costs, amounting to €14 million. General expenses of €83 million.

Asset Based Services

Year 2023	(€ million)	First half 2024	First half 2023
6,069	Core business revenue	3,449	2,622
(5,455)	Cost of sales	(3,058)	(2,362)
614	Adjusted gross operating margin (EBITDA)	391	260
(313)	Depreciation and amortisation	(202)	(135)
301	Adjusted operating result (EBIT)	189	125
-	Impairment losses and restructuring expenses	-	-
301	Operating result (EBIT)	189	125

Revenue amounted to €3,449 million in the first half of 2024, an increase of 31.5% compared to the corresponding period of 2023, mainly attributable to higher volumes in the Middle East, Europe, Asia-Pacific and Sub-Saharan Africa.
The cost of sales, amounting to €3,058 million, increased in line with the higher volumes.
Adjusted gross operating margin (EBITDA) for the first half of 2024 amounted to €391 million, equal to 11.3% of revenue compared to the €260 million in the corresponding period of 2023, equal to 9.9% of revenue.
Depreciation and amortisation amounting to €202 million, an increase of €67 million compared to the corresponding period of 2023, due to the entry of the fleet of leased vessels, required to implement the projects.
The operating result (EBIT) in the first half of 2024 was a profit of €189 million.

Energy Carriers

Year		First half	
2023	(€ million)	2024	2023
5,062	Core business revenue	2,523	2,366
(5,051)	Cost of sales	(2,515)	(2,357)
11	Adjusted gross operating margin (EBITDA)	8	9
(53)	Depreciation and amortisation	(32)	(27)
(42)	Adjusted operating result (EBIT)	(24)	(18)
-	Impairment losses and restructuring expenses	-	-
(42)	Operating result (EBIT)	(24)	(18)

Revenue for the first half of 2024 amounted to 2,523 million and shows an increase of 6.6% compared to the corresponding period of 2023, as an effect of the higher volumes in Sub-Saharan Africa, Italy and the Middle East.
The cost of sales, equal to €2,515 million, was up €158 million compared to the corresponding period of 2023, in line with the higher volumes.
Adjusted gross operating margin (EBITDA) for first half of 2024 was positive for €8 million, equal to 0.3% of revenue, a small decrease compared to the corresponding period of 2023.
Depreciation and amortisation were €32 million, up €5 million compared to the corresponding period of 2023, due to the rental of the living quarters vessels, required for the execution of the Hail and Ghasha project, in United Arab Emirates.
The operating result (EBIT) in the first half of 2024 was a loss of €24 million.

Offshore Drilling

Year		First half	
2023	(€ million)	2024	2023
743	Core business revenue	446	359
(442)	Cost of sales	(280)	(218)
301	Adjusted gross operating margin (EBITDA)	166	141
(123)	Depreciation and amortisation	(76)	(56)
178	Adjusted operating result (EBIT)	90	85
-	Impairment losses and restructuring expenses	-	-
178	Operating result (EBIT)	90	85

Revenue for the first half of 2024 amount to €446 million, up 24.2% on the corresponding period of 2023, thanks to the contribution of the drilling vessel Deep Value Driller and the jack-ups Perro Negro 11 and Perro Negro 12, which did not operate in the corresponding period of 2023. This improvement was partly compensated by the lower contribution of the semi-submersible platform Scarabeo 9, in stacking in the first quarter for preparation works and class reinstatement, compared to full operations in the corresponding period of 2023.
Cost of sales was €280 million, up compared to the corresponding period in 2023, consistent with the higher volumes.
The adjusted gross operating margin (EBITDA) for the first half of 2024 amounted to €166 million, equal to 37.2% of revenue, compared to €141 million in the corresponding period of 2023, equal to 39.3%; in particular, the reduced margin is due to the higher costs incurred to prepare the new vessels entering operations during the same period, as well as the temporary suspension of activities requested by the client Saudi Aramco.
Depreciation and amortisation amounted to €76 million, up €20 million compared to the corresponding period of 2023, mainly related to the depreciation of the residual right-of-use value of a leased vessel.
The operating result (EBIT) in the first half of 2024 was a profit of €90 million.

Balance sheet and financial position

Saipem Group - Reclassified consolidated statement of financial position [1]

The reclassified consolidated statement of financial position aggregates asset and liability amounts from the statutory statement of financial position by function, under three basic areas: operating, investing and financing.
The management believes that the proposed schedule provides useful information for investors because it makes it possible to identify the sources of financial resources (own and borrowed funds) and their use in fixed assets and working capital.

	June 30, 2023	(€ million)		June 30, 2024		Dec. 31, 2023
	2,832	Property, plant and equipment		2,964		2,960
	264	Right-of-Use assets		475		428
	687	Net intangible assets		663		666
	3,783			**4,102**		**4,054**
2,459		*- Asset Based Services*	*2,683*		*2,635*	
518		*- Energy Carriers*	*528*		*501*	
806		*- Drilling*	*891*		*918*	
	113	Equity investments		140		162
	3,896	**Non-current assets**		**4,242**		**4,216**
	(1,352)	**Net current assets**		**(1,483)**		**(1,366)**
	(178)	Employee benefits		(192)		(193)
	72	**Net assets held for sale**		**-**		**-**
	2,438	**Net capital employed**		**2,567**		**2,657**
	2,148	Equity		2,419		2,394
	2	Non-controlling interests		-		2
	(34)	Net financial debt pre-IFRS 16 lease liabilities		(394)		(216)
	322	Lease liabilities		542		477
	288	**Net financial debt**		**148**		**261**
	2,438	**Funding**		**2,567**		**2,657**
	(0.02)	**Leverage before IFRS 16 (net borrowing/equity + third-party equity)**		**(0.16)**		**(0.09)**
	0.13	**Leverage post-IFRS 16 (net borrowing/equity + third-party equity)**		**0.06**		**0.11**
	1,995,558,791	Number of shares issued and outstanding		1,995,558,791		1,995,558,791

(1) For reconciliation with mandatory templates see "Reconciliation of reclassified balance sheets used in the interim Directors report with the mandatory financial statements" on page 89.

Management uses the reclassified statement of financial position to calculate key ratios such as the Return On Average Capital Employed (ROACE) and leverage (used to indicate the robustness of the group's capital structure).
Non-current assets as of June 30, 2024 stood at €4,242 million, up €26 million compared to December 31, 2023. The change derives from capital expenditure and investments in equity for €197 million, from the increase in the final value of the right-of-use of leased assets for €161 million, from depreciation, amortisation and impairment losses for €310 million, from divestments and scrapping for €2 million, from positive variation of equity investments for €3 million including dividends for €29 million, and from the positive net effect from the conversion of financial statements expressed in foreign currency and other variations for €6 million.
Net current assets have decreased by €117 million, going from a negative balance of €1,366 million as of December 31, 2023, to a negative balance of €1,483 million as of June 30, 2024. The reduction is mainly due to the change in the provisions for risks and charges for €71 million primarily due to the use of funds set aside for contracts subject to the backlog review in previous years, and the improvement of net working capital amounting to €188 million.
Employee benefits amounted to €192 million; down €1 million compared to December 31, 2023 due to the use in the period.
In light of the above, the **net capital employed** fell by €90 million, standing at €2,567 million as of June 30, 2024 compared to €2,657 million as of December 31, 2023.
Equity, including non-controlling interests, amounted to €2,419 million as of June 30, 2024, an increase of €23 million compared to December 31, 2023. The increase is mainly attributable to the net profit for the period of €118 million to which is added the positive effect on the net equity from the conversion of the financial statements expressed in foreign currency and other changes for €25 million. The increase is largely offset by the negative effect of the change in the fair value measurement of foreign exchange and commodity hedging derivatives for

€85 million, the impact of the buy-back of treasury shares in the period for an amount of €33 million and the reduction of non-controlling interests, following the purchase of a minority stake, for €2 million.
Pre-IFRS 16 net financial position as of June 30, 2024 amounted to a net cash of €394 million. Net debt, including IFRS 16 lease liability of €542 million, amounted to €148 million.
Pre-IFRS 16 gross debt as of June 30, 2024, amounted to €2,210 million, liquidity to €2,604 million of which available cash for €1,265 million.

Analyses of net financial debt

June 30, 2023	(€ million)	June 30, 2024	Dec. 31, 2023
(54)	Non-current financial assets	(1)	(1)
568	Non-current bank loans and borrowings	105	374
1,496	Non-current bonds and other financial liabilities	1,660	1,794
2,010	**Net medium/long-term financial debt**	**1,764**	**(2,167)**
(2,338)	Cash and cash equivalents	(2,148)	(2,136)
(71)	Financial assets measured at fair value through OCI	(86)	(86)
(467)	Other current financial assets	(369)	(386)
254	Current bank loans and borrowings	145	159
578	Current bonds and other financial liabilities	300	66
(2,044)	**Net short-term debt (liquid funds)**	**(2,158)**	**(2,383)**
(34)	**Net financial debt (liquid funds) pre-IFRS 16**	**(394)**	**(216)**
82	**Net current lease liabilities**	**228**	**201**
240	**Net non-current lease liabilities**	**314**	**276**
288	**Net financial debt (liquid funds)**	**148**	**261**

Cash and cash equivalents include: (i) cash and cash equivalents of €718 million in current accounts of projects executed in partnership or joint venture; (ii) cash and cash equivalents of €162 million in current accounts denominated in currencies subject to movement and/or convertibility restrictions; (iii) cash and cash equivalents amounting to €3 million in current accounts frozen or subject to restrictions for a total of €883 million.
For information on net financial debt as required by Consob, Communication No. 5/21 of April 29, 2021, see Note 23 "Analyses of net financial debt".

Statement of comprehensive income

	First half	
(€ million)	2024	2023
Profit (loss) for the period	**118**	**40**
Other items of comprehensive income:		
- change in the fair value of cash flow hedges	(103)	54
- change in the fair value of financial assets, other than equity investments, measured at fair value through OCI	-	-
- share of other comprehensive income of equity-accounted investees	-	1
- share of other comprehensive income of equity-accounted investees relating to remeasurement of defined benefit plans	(1)	-
- remeasurement of benefit plans for employees	5	(2)
- exchange differences arising from the conversion into euro of financial statements currencies other than the euro	21	(3)
- tax effect related to other components of the total profit	17	(13)
Other items of comprehensive income	**(61)**	**37**
Comprehensive profit (loss) for the period	**57**	**77**
Attributable to:		
- owners of the parent	57	78
- non-controlling interests	-	(1)

Equity including non-controlling interests

(€ million)	
Equity including non-controlling interest as of January 1, 2024	**2,396**
Comprehensive income for the period	57
Dividends distributed to Saipem shareholders	-
Dividends distributed by other subsidiaries	-
Sale (re-purchase) of treasury shares net of fair value of the incentive plans	(30)
Purchase of non-controlling interests	(2)
Share capital increase net of charges	
Recognition of fair value of incentive plans	
Other changes	(2)
Total changes	**23**
Equity including non-controlling interests as of June 30, 2024	**2,419**
Attributable to:	
- owners of the parent	2,419
- non-controlling interests	-

Reclassified statement of cash flows [1]

Saipem's reclassified statement of cash flows derives from the statutory statement of cash flows. It enables investors to understand the link existing between changes in cash and cash equivalents (deriving from the statutory statement of cash flows) and in net financial debt (deriving from the reclassified statement of cash flows) that occurred between the beginning and the end of the period. The measure enabling such a link is represented by the free cash flows, i.e. the surplus or cash deficit remaining after the financing of investments. The free cash flow closes alternatively on: (i) changes in cash and cash equivalents for the period by adding/deducting cash flows relating to financial liabilities/assets (issuance/repayment of loan assets/financial liabilities), to repayments for lease liabilities, equity (dividends paid, net repurchase of treasury shares, capital issuance) and the effect of changes in the consolidation scope and of exchange differences on cash and cash equivalents, or (ii) changes in net financial debt for the period by adding/deducting cash flows relating to equity, and the effect of repayments of lease liabilities and of changes in the consolidation scope and of exchange differences on net financial debt.

Year		First half	
2023	(€ million)	**2024**	**2023**
185	Group's profit (loss) for the period - Continuing operations	118	40
(6)	Group's profit (loss) for the year - Discontinued operations	-	-
-	Result of the period of other shareholders	-	-
	adjustments:		
413	Depreciation, amortisation and other non-monetary items	349	185
34	Net (gains) losses on disposals of assets	(7)	1
252	Dividends, interest and income taxes	133	133
884	**Cash flows generated by operating activities before changes in working capital**	**593**	**359**
(134)	Changes in working capital related to operations	(39)	(121)
(164)	Dividends received, income taxes paid, interest paid and received	(99)	(96)
586	**Net cash flows from operating activities - Continuing operations**	**455**	**142**
-	**Net cash flows from operating activities - Discontinued operations**	**-**	**-**
586	**Net cash flows from operating activities**	**455**	**142**
(482)	Capital expenditure – Continuing operations	(194)	(139)
-	Capital expenditure - Discontinued operations	-	-
(1)	Investments in equity, consolidated subsidiaries and business units	(3)	(1)
145	Disposals and partial sales of consolidated equity, business units and property, plant and equipment	13	61
-	Other changes related to financing activities	-	-
248	**Free cash flows**	**271**	**63**
16	Net change in receivables and securities held for non-operating purposes	16	49
(235)	Changes in short and long-term loans and borrowings	(184)	267
(119)	Repayments of lease liabilities	(85)	(59)
-	Sale (purchase) of treasury shares	(33)	-
-	Cash flow from capital and reserves	-	-
72	Net change in convertible bonds	(6)	-
(45)	Changes in consolidation and exchange differences on cash and cash equivalents	33	(34)
84	**NET CASH FLOWS FOR THE PERIOD**	**12**	**286**
248	**Free cash flows**	**271**	**63**
(119)	Repayments of lease liabilities	(85)	(59)
-	Sale (purchase) of treasury shares	(33)	-
-	Cash flow from capital and reserves	-	-
72	Net change in convertible bonds	(6)	-
(41)	Exchange differences on net financial debt and other changes	31	(26)
160	**CHANGE IN NET FINANCIAL DEBT PRE-LEASE LIABILITIES**	**178**	**(22)**
-	Effect of first-time adoption of IFRS 16	-	-
(286)	Financing/closing for the period	(142)	(62)
119	Repayments of lease liabilities	85	59
10	Exchange differences and other variations	(8)	1
157	Change in lease liabilities	(65)	(2)
3	**CHANGE IN NET FINANCIAL DEBT**	**113**	**(24)**

(1) For reconciliation with mandatory templates see "Reconciliation of reclassified balance sheets used in the interim Directors report with the mandatory financial statements" on page 89.

The **net cash flows from operating activities - Continuing operations** positive for €455 million, net of the negative cash flow from net capital expenditure and investments in equity, consolidated subsidiaries of €197

million, and the positive cash flow from divestments and partial disposals of consolidated participations, business units and tangible assets of €13 million, generated a positive **free cash flows** of €271 million.
Repayments of lease liabilities generated a negative effect of €85 million. Exchange differences and other changes on net financial debt produced a positive effect of €31 million.
Therefore there was a positive change in **net debt pre-lease liabilities** of €178 million.
The **lease liabilities** generated an overall negative effect of €65 million, due to the net negative effect of new financing and contract closure for €142 million in the period, to the repayments of lease liabilities for €85 million, and exchange rate differences and other changes for a total of €8 million.
Cash flows generated by operating activities before changes in working capital - Continuing operations, positive for €593 million, results from:
- the net profit for the period amounting to €118 million;
- depreciation, amortisation and impairment of tangible and intangible assets and right-of-use of leased assets for €310 million, the negative valuation of equity investments using the equity method amounting to €3 million, the negative change in provisions for employee benefits amounting to €3 million and exchange rate differences and other negative changes for a total of €39 million;
- net financial expense of €59 million and income taxes of €74 million.

The negative change in working capital related to operations, for €39 million, was due to the dynamics of cash flows of projects underway.
Dividends received, income taxes paid, interest paid and received during the first half of 2024 were negative for €99 million and were mainly related to dividends received, income taxes paid net of tax credits and to interest paid.

Key profit and financial indicators

Return On Average Capital Employed (ROACE)

Return On Average Capital Employed is calculated as the ratio between adjusted profit (loss) for the period before non-controlling interest, less net financial expense after deducting the related tax effect and net average capital employed. The tax rate applied to financial expense is 24%, as per the applicable tax legislation.

Return On Average Operating Capital (ROACE)

To calculate the Return On Average Operating Capital, the average capital employed is netted of investments in progress that did not contribute to profit for the half year.
There were no significant investments in progress in the two half years compared.

		Dec. 31, 2023	June 30, 2024	June 30, 2023
Profit (loss) for the period	(€ million)	179	257	(46)
Exclusion of net financial expense (net of tax effects)	(€ million)	167	153	223
Unlevered profit (loss) for the period	(€ million)	306	373	123
Capital employed, net:	(€ million)			
- at the beginning of the period		2,350	2,438	2,328
- at the end of the period		2,657	2,567	2,438
Average capital employed, net	(€ million)	2,504	2,503	2,383
ROACE	(%)	**12.22**	**14.90**	**5.16**
Return On Average Operating Capital	(%)	**12.22**	**14.90**	**5.16**

Net financial debt and leverage

Saipem management uses leverage ratios to assess the soundness and efficiency of the Group's capital structure in terms of an optimal mix between net borrowings and equity, and to carry out benchmark analyses against industry standards. Leverage is a measure of a company's level of indebtedness, calculated as the ratio between net financial debt and equity, including non-controlling interests.

	June 30, 2024	Dec. 31, 2023
Leverage pre-IFRS 16	(0.16)	(0.09)
Leverage post-IFRS 16	0.06	0.11

Non-GAAP measures

This section provides the alternative performance indicators that, although not required by IFRS (non-GAAP measures), are used in the "Directors' Report".
Such indicators are disclosed to enhance the user's understanding of the Group's performance and are not intended to be considered as a substitute for IFRS measures.
Specifically, the non-GAAP measures used in the Directors' Report are as follows:

- EBIT (Earnings Before Interest and Taxes): is an alternative widely used performance indicator for cash flow calculations of a company and represents the operating result before financial expense and taxes;
- EBITDA ("Earnings Before Interest, Taxes, Depreciation & Amortisation"): is an alternative performance indicator relating to operating performance, calculated by adding depreciation and amortisation to operating result;
- Adjusted EBIT (Earnings Before Interest and Taxes) or earnings before financial income (expense): this is an alternative performance indicator widely used in the calculation of cash flows for company and represents the operating result before financial expenses and taxes net of special items;
- Adjusted EBITDA (Earnings Before Interests, Taxes, Depreciation & Amortisation) or adjusted gross operating margin: is an alternative performance indicator related to operating performance, calculated by adding depreciation and amortisation net of special items to the operating result;
- cash flow: this indicator is given by the sum of net result plus amortisation and depreciation;
- capital expenditure: this indicator is calculated by excluding equity investments from total investments;
- gross operating margin: a useful measure for evaluating the operating performance of the Group as a whole and of the individual business segments, in addition to operating result. The gross operating margin is an intermediate measure, which is calculated by adding depreciation and amortisation to operating result;
- non-current assets: the sum of net property, plant and equipment, net right-of-use leased assets, net intangible assets and equity investments;
- net current assets: includes working capital and provisions for risks and charges;
- net invested capital: this is the sum of non-current assets, net current assets and the provision for employee benefits;
- funding: this is the sum of equity, non-controlling interests and net debt;
- special items: they represent: (i) not-recurring events or transactions; (ii) events or transactions that are not representative of normal business activities;
- net financial debt: this is calculated as financial debt less cash and cash equivalents, securities and other financial assets not used in operating activities.

BUSINESS SUSTAINABILITY

Vision and principles

The complexity and challenges of the global energy supply system, along with the major impacts on the Planet caused by climate change, have led to a scenario in which energy transition infrastructures are a decisive factor for ensuring a future of sustainable development to a large part of the world's population. In this context, Saipem reaffirms its ambition to be one of the leading players and enablers of energy transition and of sustainable solutions for energy production.

Through its own assets, skills and technologies, the Company is indeed contributing to the decarbonisation of the value chain in the energy sector, providing its clients with innovative design, engineering, and technological solutions. Hence, Saipem is truly a strategic partner for the achievement of the Net Zero goals of the company and that of its clients, actively and responsibly engaging suppliers in this process.

Saipem's industrial outlook and commitment to the energy transition therefore defines its path towards business sustainability, guided by a medium-long term vision which, taking into account the economic, environmental and social impacts of the Group's business and the expectations of its stakeholders, translates into the integration of sustainability topics into its strategies, processes, governance and disclosure in order to fully and transparently inform its stakeholders and create shared value and greater opportunities for competitive advantage.

The four-year Sustainability Plan – "*Our Journey for a sustainable future*" – updated for the 2024-2027 period, is the reference framework concerning Saipem's material and prioritised sustainability topics and represents a tool for implementing an integrated strategy combining business and financial targets with ESG criteria, aiming to create short- and long-term value for stakeholders. The Plan's contents are derived from several key drivers: the materiality analysis, the market scenario and client demand, the evolution of the regulatory and normative framework, the positioning of the Company within the different components of the financial community (analysts, rating agencies, investors, other financial parties). The plan contains specific and measurable objectives within a medium to long term sustainability vision of the business expressed in actions and projects aimed at ensuring both constant improvement in performance and confirming the commitments undertaken to contribute to achieving the 17 United Nations Sustainable Development Goals (SDGs). It also aims to comply with the ten principles of the Global Compact, to which the Company has adhered since 2016. The 2024-2027 Plan was initially presented to the Sustainability, Scenarios and Governance Committee, which discussed it and proposed it for assessment and approval, which took place on March 12, 2024, by the Board of Directors.

Net Zero Programme

Recognising the current global energy transformation, Saipem has long since announced its commitment to gradually reduce its carbon footprint (Scope 1, 2, 3) throughout the value chain. To achieve this, it launched the "Net Zero Programme", a specific programme focused on improving asset and operational efficiency using alternative fuels, electrification and increasing the use of renewable energy to reduce greenhouse gas (GHG) emissions related to its operations.

Saipem also supports its clients in reducing their carbon footprint by proposing and facilitating low GHG-emitting technologies and playing a key role in the energy transition by offering services such as "Low Impact Projects and Offset Residual Emissions".

The cross-functional and multi-disciplinary Net Zero Programme was defined and formally launched in 2021, is monitored by the CEO and the Top Management and represents all the targets and ongoing initiatives at Group level to reduce the emission impact of its assets and operations.

The programme's objective is to achieve Net Zero of Scope 1, 2 and 3 emissions by 2050, also through the identification of short- and medium-term targets:

- Carbon Neutrality for Scope 2 as of 2025;
- 50% reduction in Scope 1 and 2 emissions by 2035 (baseline in 2018: 1.4 million tonnes of CO_2 eq).

The Programme is supported by documentary tools, validated by a Steering Committee, comprising the Top Management, and approved by the CEO. The targets and key results are included in the Sustainability Plan, approved by the Board of Directors.

The Programme and its contents were verified and validated by an independent third-party (Bureau Veritas) at the end of 2021 and the validation renewal process is currently underway and will be completed by the end of 2024.

The implementation plans and roadmaps for the Net Zero Programme are updated considering current and future developments in the context, such as regulatory pressures and market conditions, stakeholder expectations and client requests, as well as new benchmark analyses, technological developments and energy scenarios.

Saipem's reduction of Scope 1 and 2 emissions is based on initiatives which, over time, fall into the three "R" clusters:

- retrofit (the modernisation of existing assets adopting available efficiency-improving technologies);
- renewal (renewal of the asset fleet with new-generation machinery and vessels); and
- renewables (use of emerging renewable sources to support Saipem's operations).

The main goal of these phases is to progressively reduce the carbon footprint of all Saipem's assets, such as vessels, rigs and TCFs (Temporary Construction Facilities).
Furthermore, Scope 1 and 2 emissions will also be reduced through:

- the use of alternative fuels: use of low-carbon fuels to replace fossil fuels, such as HVO - Hydrogenated Vegetable Oil;
- electrification: switching from generating electricity from fuel-powered generators to grid power where possible (e.g. shipyards, ships in ports).

Finally, regarding Scope 3 (indirect emissions arising mainly from the supply chain and mobility), Saipem is collaborating with suppliers and various actors in the value chain with the ultimate aim of setting a working roadmap and relevant emission reduction targets by 2026. To achieve this goal, Saipem is defining a complete Scope 3 emissions reduction strategy that includes the identification of a critical target of suppliers for Scope 3 emissions, in particular "top emitters", and the related onboarding activities on the Carbon Tracker platform (the Scope 3 supply accounting platform in use since 2021) are being carried out.
Between the end of 2024 and the beginning of 2025, the readiness of the supply chain in terms of emissions will be analysed (e.g. how many suppliers have set reduction targets, how many suppliers are able to provide their primary Scope 1, 2 and 3 data) in order to define a baseline and related reduction activities.
In addition, market surveys on available low-carbon technologies and materials are being conducted in order to define potential "green procurement" requirements to be integrated into supplier requests.

In 2023, Saipem also launched an emissions offsetting programme, financing a portion of offsetting projects for a total of 100,000 carbon credits, equivalent to 100,000 tonnes of CO_2 eq. These investments were strategically channelled into a diversified portfolio that includes solutions ranging from forest conservation and protection to the progress of renewable energy sources. The project portfolio is predominantly composed of nature-based projects, in particular REDD+ (Reducing Emissions from Deforestation and Forest Degradation), selected beyond the value chain on the basis of the collateral benefits for both the environment and for local communities.
In this regard, a model was developed, in cooperation with the Integrated Risk Management function, to assess the risk associated with each project, proposed by the specialised suppliers, in order to define the project portfolio for 2024 and monitor the evolution of the associated risk over time.
The carbon offsetting programme is included in the Strategic Plan with a dedicated budget, which was also reconfirmed for the 2024-2027 period.

Targets related to the topic of climate change are included in the sustainability/ESG objectives of the Variable Incentive Plan since 2019; in particular, in 2023, the objective "GHG emissions avoided through energy management initiatives", which was part of the short-term incentives since 2019, was also added in the long-term incentives (2023-2025). In addition, a new target identified as "Offset GHG emissions" was added to the long-term incentives.
All short-term and long-term targets concerning avoided and offset GHG emissions were reconfirmed in 2024, for the current year and for the three-year period 2025-2027.

Stakeholder engagement

Since 2021, Saipem organises on a yearly basis a materiality analysis on sustainability topics applying the ''double materiality'' methodology, by impact and financial, ahead of the requirements of the Corporate Sustainability Reporting Directive (CSRD) that makes it mandatory starting with the 2024 sustainability reporting. The analysis allows company stakeholders to identify and highlight sustainability issues considered material and a priority for the business, both from the point of view of the impacts generated on the environment and society, and from the financial point of view in terms of their capability to affect the value created by the company and the prospects of its business. The analysis, the process and the outcomes of which are described in the Consolidated Non-Financial Statement (NFS 2023), highlighted the utmost importance for its people, their health and safety, their skills, the attraction of new talent and the social and economic development of the local communities in which the company operates, to business ethics, integrity and innovation as key cross-cutting factors for creating value and, last but not least, promoting the enhancement of diversity, equity and inclusion at all levels, both in terms of multiculturalism, represented in the Saipem population, and in its gender component. The relevance of the material issues that emerged is supported by a well-established engagement process that sees the various corporate functions in constant interaction with the most relevant stakeholders: clients, suppliers, the financial community, local communities, employees.
Saipem communicates its sustainability strategy, lines of action and Sustainability Plan's objectives consistent with the Strategic Plan to its stakeholders and regularly reports on its performance.

The dialogue with stakeholders is strengthened by an advanced reporting model on ESG data and information sustainability programmes, certified and aligned to the highest international standards and current regulations on sustainability reporting, which are currently undergoing major changes also due to the entry into force of new European and national transposition regulations to which Saipem is subject
In 2023, Saipem took part in consultations promoted by public bodies and business associations, also contributing to the debate on ESG issues by various managerial and professional communities (the ESG Community of Cassa Depositi e Prestiti, Borsa Italiana, Confindustria, Assonime, Osservatorio Italiano Imprese e Diritti Umani - OIIDU, the Global Compact Network Italy, etc.) also through its own participation and various presentations at events like “Il Salone della CSR” in Milan.
Among key stakeholders, Saipem pursued its commitment of engaging its suppliers in Italy in joining the open digital platform “Open-es”, a system initiative fostering the close monitoring of the sustainability performance of its supply chain, the development of a sustainable culture and the strengthening of ESG requirements in supplier assessments.
With reference to financial stakeholders and particularly to ESG rating agencies, the continuous engagement and discussion with these stakeholders and the completeness of the disclosures allowed Saipem to be recognised for the sixth consecutive year as the leader in its industry sector in the Dow Jones Sustainability Index (DJSI) and to be confirmed with the “B” rating (on a scale from A-D with A being the highest score) by the Carbon Disclosure Project (CDP), the independent non-profit organisation that provides investors with a system to measure climate change policies and performances, and, in general, an excellent overall ranking of the company in the main ESG ratings on the market.

Sustainability reporting

On March 12, 2024, the Board of Directors of Saipem approved the Group’s 19th voluntary Sustainability Report, presenting the results achieved and the targets the company has set through its Sustainability Plan, particularly relating to the topics of Net Zero, environmental protection and biodiversity, the development of its people, business ethics, innovation and cyber security, examining its role throughout the value chain.
Pursuant to Italian Legislative Decree No. 254/2016 on non-financial reporting of entities of public relevance, transposition in Italy of the EU Directive No. 95/2014, Saipem produced the seventh “Consolidated Non-Financial Statement” (NFS) 2023, which was also approved by the Board of Directors on March 12, 2024. This is the informative document concerning the management of non-financial aspects, placed in a distinct section of the “Directors’ Report”, which describes the Group’s policies, activities, risks, and related management methods, the main results and impacts generated in the year in terms of indicators and trend analysis.
Since 2021, the NFS has included a section that, in compliance with EU Regulation 2020/852 regarding the European taxonomy of production activities and investments that can be classified and aligned as sustainable, provides an analysis sheet reporting the indicators required by the regulations (turnover, capital expenditure and operating expenses) and, as of the 2023 report, integrates the first two environmental objectives of climate change adaptation and mitigation with the other four objectives set out in the legislation: the transition to a circular economy, protection and sustainable use of water resources, protection and control of pollution, and protection and restoration of biodiversity.
The NFS also provides a description of the internal control system dedicated to sustainability and non-financial information, in operation since 2019, to ensure the reliability, timeliness and completeness of the disclosure, with a perimeter that is progressively being extended each year to cover other subsidiaries and indicators. The process entails defining the scope of application, defining and evaluating controls, implementing monitoring activities and identifying corrective actions, reporting, and evaluating the control system.
With the aim of rationalising sustainability disclosure, the NFS also integrates the disclosure on Climate Change, previously published separately, drafted in conformity with the guidelines of the Task Force on Climate Related Financial Disclosure (TCFD), which describes analyses, policies, strategies, actions and metrics, management of risks and opportunities and technological initiatives in order to highlight the impact of the scenarios linked to climate change and to its role in the energy transition on its business.
Furthermore, with the same rationalisation objective, the section on fiscal transparency has been strengthened and starting from this year breaks down fiscal exposure by individual country, and has been expanded the section which describes the policies and actions taken by the Group to measure and strengthen systems and processes for the prevention of forms of modern slavery and human trafficking, both in its direct operations and along the supply chain, and in general to ensure respect for human and labour rights,.
In relation to these contents, the company has recently published the “Saipem Human Rights & Modern Slavery Statement 2023” Group document, in compliance with the UK Modern Slavery Act and the Norwegian Transparency Act, following the preliminary favourable opinion expressed on June 14, 2024 by the Sustainability, Scenarios and Governance Committee and the approval of the Board of Directors in the June 26, 2024 meeting.
All the above-mentioned documents are available in the revamped “Sustainability” section of the Company’s website www.saipem.com.

With the entry into force of both the EU Sustainability Reporting Directive (CSRD) 2022/2464, which will apply to reporting as of the 2024 financial year amending the existing regulations, and the related European Sustainability Reporting Standards (ESRS) which will enable companies to fulfil their reporting obligations under the new CSRD,

the reporting requirements that a company must disclose on its material impacts, risks and opportunities in relation to environmental, social and governance sustainability topics have been expanded.
In order to implement its reporting in line with the CSRD and related ESRS standards (the 12 "Sector agnostic" ESRSs adopted by the European Commission in July 2023), Saipem carried out a detailed analysis of the quantitative and qualitative sustainability information currently reported or available compared to the new disclosure requirements of the new legislation (gap analysis) for the purpose of identifying and prioritising any data and information to be integrated. Under the new regulations, enterprises will be required to include sustainability information in a dedicated section within the Directors' Report, in order to ensure greater integration between financial and non-financial information. Saipem had already implemented this method of publication some time ago and with equal intent, among the solutions suggested by the GRI (Global Reporting Initiative) standard to which it adheres.

RESEARCH AND DEVELOPMENT

We have always focused on technological innovation and are currently dedicated to leading the way in the energy transition through increasingly digitalised tools, technologies and processes that prioritise environmental sustainability from the outset while also strengthening our competitive position in the Oil&Gas industry.

In this respect, the first part of the report is devoted to Oil&Gas business innovation activities while the second part is dedicated to the energy transition.

Innovation for the Oil&Gas sector

As regards the offshore Oil&Gas initiatives. mostly grouped under the **Asset Based Services** business line, the challenge for new technologies is to decrease the carbon footprint while remaining in areas where the technical and economic challenges are still evolving with more and more demanding criteria. In this perspective, Saipem is developing and delivering new and reliable technologies in different complementary areas, offering a set of solutions to optimise the development and the decarbonisation of offshore fields.

Concerning Pipe laying activities, and in particular the Integrated Acoustic Unit (IAU) equipment, after having obtained the Statement of Qualified Technology from DNV (the well-known certification institution) for the installation of 30”-36” and 42”-48” diameter pipelines, the IAU resulted winner in May 2024 of the Spotlight on New Technology award at the Offshore Technology Conference (OTC). It allows inspection of potential damages in pipelines in real time during the laying process, notably out-of-roundness, buckles and dents, water intrusion and identification and localisation of obstacles in the pipe.
Additionally, the development of a first version of the Hands-Free Lifting Beam for automatic transfer of pipeline section from supply vessel to pipelay vessel is proceeding to hit the deployment on executive projects.

As regards Pipelines Technologies, the key factors are high performance and reliability of operations in combination with assuring at the same time very high product and service quality. Saipem is making continuous hardware and software improvements on its proprietary welding technologies, such as the Saipem Welding System (SWS), Submerged Arc Welding (SAW) and SPRINT internal plasma remelting technology in order to maintain and increase operational effectiveness and extend the working capabilities of the equipment.
Notably, by leveraging proprietary technologies and unique competences across the engineering value chain Saipem can customise solutions to client needs and to our lay vessels to keep the competitive edge while meeting high quality standards. This is made possible thanks to a highly committed R&D force that guarantee a top-notch fit-for-purpose set of packaged solutions. This, both in SURF (Subsea Umbilicals, Risers & Flowlines) and more conventional sectors.

Concerning SURF products, a great focus has been put on the DEH (Direct Electric Heating) PiP (Pipe-in-Pipe), a critical asset to guarantee the best flow assurance. Qualification tests have successfully started in 2022 with the aim of having this technology qualified according to the TRL 4 of the API scale for commercial application within the end of 2024 under the certification of DNV; electrical insulation has already been qualified and the overall qualification is proceeding with DNV. Statement of feasibility has been obtained. The patented aluminium liner was the object of a successful qualification test, the purpose of which was to outline the most appropriate fabrication process to our yards and industrialise it. Several case studies have been run on behalf of clients (TotalEnergies, Shell and Exxon). Great efforts have been also dedicated to the introduction of plastic liners for water injection lines, where pull-out and scale 1:1 pressure test have been successfully completed, closing the qualification of High-Pressure End Connectors for static pipeline application and securing a key partner for industrialisation. A concept definition and validation are proceeding in partnership with TotalEnergies for the extension of plastic liners to production lines. The special design features to address plastic liner deformation, in case of pipeline depressurisation, have been addressed by numerical studies, and a first proof-of-concept has been manufactured and tested. As regards technology development for SURF projects, Saipem keeps working on developing its performances and safety in laying, with for instance solutions to improve the laying performance of continuous buoyancy on Steel Lazy Wave Riser.
Finally, Saipem has positively concluded a test campaign to demonstrate the feasibility to use raw sea water (instead of fresh water) bringing environmental and economic performance to our projects in 2023 (saved more than 1,500 m^3 of fresh water also with a significant economic saving).

The **Offshore Drilling** business has completed the development of a tool to improve the quality of wells leveraging artificial intelligence. The tool aims at supporting the drillers in detecting those signals that allow the well engineer to maximise well quality. The system has been developed and tested on past project data, and currently running on the vessels of the fleet.
A system to track all the tubular material running in the well and present onboard has been developed to have a real time situation and better plan the phases of the well. The system will reduce maintenance cost and

environmental footprint by reducing unnecessary demobilisation. A pilot test was carried out onboard Scarabeo 8 in March 2024 and currently the optimal layout of placement of detection antennas is being defined according to the data collected in the test. This will be followed by management software evaluation.

As regards the **Robotics & Industrialized Solutions** business line several activities are ongoing.

Subsea Factory

Saipem is developing the "Subsea Factory Solutions" industrial platform. This is a new approach to bring process treatment directly on the seabed, close to the injection wells, by reducing the costs associated to risers and flowlines, the significant costs for additional treatment modules installation on existing topsides and frees up valuable space for production or reduces the size of the new topside facilities, also allowing a significant reduction of emissions by simplification of the overall architecture.
This development fits with the "All-Electric" vision for fields, made of subsea infrastructures connected only by electric lines and optical fibres, in place of complex and expensive electro-hydraulic umbilicals which are typically used to deliver control fluid for subsea hydraulic actuators, chemicals and subsea pumps barrier fluid. Within this framework, the subsea factory solutions are the key enablers of brownfields development projects whenever congested topside or long tiebacks are concerned.
The qualification of the SPRINGS™ process for water desulfation and injection (co-owned with TotalEnergies and Veolia) has been successfully completed. The industrialisation of its all-electric subsystems has achieved a significant milestone by completing the qualification of the most powerful subsea barrierfluidless pump ever, developed together with Curtiss Wright. The subsea pump, as well as the other subsystems, has been industrialised with the intention to form the building blocks for the whole Subsea Factory products portfolio. Thanks to the process qualification and to the equipment industrialisation, the technology, recognised by operators, is ready for commercialisation and was included in conceptual studies of new field developments.
The FLUIDEEP™ technology for subsea storage and injection of chemicals is also at an advanced stage of industrialisation and the final qualification tests are currently ongoing. Saipem has completed a study with a client for the utilisation of SPRINGS™ combined with the subsea produced water separation (Spoolsep™) and subsequent treatment, demonstrating a reduction not only of the global cost but also on the CO_2 emissions, when compared to a conventional field development scheme. Saipem has also recently presented SUBGAS, a subsea gas dehydration and dew pointing unit to overcome the flow assurance issues and unlock long subsea Gas tiebacks. SUBGAS avails of the qualified oil and gas separator Vertical Multipipe™ which was previously developed and qualified through multiple Joint Industry Projects (JIPs) for deepwater applications.

Life of Field

Saipem is progressing with the development of an integrated Digital Twin approach for subsea critical component design and servicing, by incorporating new technologies such as the "Riser Monitoring System" for enhanced Life-of-Field. These technologies, including their evolutions (e.g., fibre optics monitoring), have been successfully qualified and applied in Buzios 5 project and are going to be deployed in Buzios 7 project.
Regarding subsea remediation services for diver and deepwater diverless applications, Saipem completed the proof of concept and the pre-qualification tests on the "patch Clamp": an innovative patented solution to locally seal leaking pipeline and spool. Saipem is also progressing in the qualification of a novel pipeline and spool diverless deepwater repair technology based on Fibre-Reinforced Polymer composite wrapping. Process development and wrapping tape material qualification are ongoing for deep water and high temperature cases.
With regards to the Internet of Underwater Things and the collaboration with WSense, we completed the qualification of Seanapsys: a unique and innovative set of subsea intelligent nodes, able to communicate using through-water links, to create a distributed network of acquisition nodes integrated with our underwater robotics. This technology could be applied to traditional Oil&Gas scenarios, like monitoring asset integrity, or for new fields like monitoring of underwater CO_2 storage.

Subsea robotics

The use of advanced underwater robotics solutions, capable of performing complex inspection tasks automatically and with no subsea human presence, represents a cutting-edge technology in the field of unmanned underwater interventions. We aim to be a key player in this transformation, using some of the more innovative and disruptive subsea robotics solutions in the offshore market.
Such drones will be able to perform complex navigation tasks, automatically adapting to environmental conditions and newly acquired inspection data, all of which require advanced control and communications techniques informed by Artificial Intelligence.

The development of the Hydrone subsea robotic platform is more and more focusing on our Hydrone-R, Hydrone-W and FlatFish solutions:

- the first Hydrone-R vehicle was delivered to Equinor as part of the first ever "Life of Field" contract for an Underwater Intervention Drone, covering 10 years of service in the Equinor "Njord" field off the coast of Trondheim. This Hydrone-R prototype, complete with automatic docking features, was developed and fully tested, including remote controllability and is now in operations on Njord field for continuous inspection and maintenance activities. At present, the system achieved the significant result of 167 days of continuous dive, and we are working to develop additional innovative features. Equinor and Saipem recently got just in this respect the 2024 UTC (Underwater Technology Conference) Award;

- Hydrone-W is a work-class full-electric remotely operated vehicle (ROV) equipped with a revolutionary powertrain and power management system that minimises energy consumption during operations. It is designed to operate from both manned and unmanned platforms controlled from land. Its testing is progressing, and the delivery of the first prototype is expected by fourth quarter 2024;
- FlatFish is our underwater drone, conceived to perform complex, autonomous subsea asset inspections without vessel support. This robot can be launched from a topside facility or reside on the seabed inside a subsea ROV garage. FlatFish will significantly reduce the CO_2 footprint of this type of operation by more than 90% and decrease manning requirements by approximately 70%, offering clients a more cost-effective solution. The development of the "FlatFish", winner in May 2023 of the Spotlight on New Technology award as already Hydrone-R in 2021, is at an advanced stage: after a first extensive test programme, carried out in Trieste Playground, for the complete testing of all autonomous tasks and inspection functions, the system has been mobilised for a deep-water test campaign offshore Brazil in the context of an awarded contract with Shell and Petrobras. The offshore campaign has been recently completed with successful testing and finalisation of all system capabilities in fully operational environment. The system is now deployed for an inspection campaign in the Middle East. The recently awarded new contract with Petrobras marks a further milestone for Saipem's innovative underwater robotics programme and for the global scale utilisation of subsea drones in offshore projects throughout the entire value chain, and it allows to extend to the new features the maturity (Technology Readiness Level 7) achieved on Saipem's fleet of subsea drones.

We are also part of the "AIPlan4EU" Horizon 2020 programme, working on creating Artificial Intelligence software for automatic mission planning, to be used on our Hydrone platform. Additionally, we are actively contributing to the Subsea Wireless Group (SWiG), a Joint Industry Project aimed at standardising through-water communication.

Finally, the potential of these subsea technologies within the offshore domain is vast, both for Oil&Gas developments as well as for the renewables market segment and even in non-energy sectors.
In particular, in the "New Energy" context, the use of FlatFish for subsea inspection and maintenance activities of the offshore wind farms is an attractive solution with high potential in the improvement of the value chain. As offshore wind farm installations require periodic and long-lasting inspections activities, subsea resident drones, with the ability to accomplish inspection missions in complete autonomy, represent a step-change solution with multiple benefits in terms of safety, operational de-risking, environmental sustainability, cost efficiency, digitalisation.
In the Defence field, we are continuing to work on developing the Rescue and Intervention Deployable Assets for the vessel SDO-SuRS (Special & Diving Operations - Submarine Rescue Ship) for the rescue of submariners, in collaboration with Drass. Saipem was selected by Marina Militare Italiana (the Italian Navy) for the development of the new generation equipment. The rescue and intervention system integrates a latest generation of work-class ROV, acting as a carrier for navigation and control, with a rescue capsule bringing submariners back to the surface, through a controlled habitat, in total safety. Saipem is also working with the Intermarine shipyard for the launch and recovery system of underwater drones from the Uncrewed Surface Vessel (USV) for mine countermeasures operation, within the new mine hunting ship development programme of Marina Militare Italiana. Saipem has been recently awarded for a PNRM project (National Plan for Military Research) dedicated to the development of an innovative subsea robotics system (Hydrone-D) for mine countermeasures and other defence activities (ASW and critical underwater infrastructure protection). Furthermore, a Memorandum of Understanding (MoU) was signed with Fincantieri to evaluate commercial and industrial opportunities in the area of surveillance and control of critical infrastructures.

With regards to Onshore and Floating solutions for the Oil&Gas industry, the **Energy Carriers** business line is active in improving the efficiency and sustainability of the Natural Gas supply chain, with solutions spanning from greener LNG to nearshore and floating production, to natural gas monetisation, leveraging on the consolidated experience and proprietary technologies for fertilizer production, and for the Downstream sector, with the assessment and implementation of technologies to treat biological and renewable feedstocks and the use of proprietary technologies to provide sustainable products.
Regarding fertilizers production, the ongoing activities on the proprietary "Snamprogetti™ Urea Technology" include:

- improving resistance to corrosion and fostering cost reduction through the development of a novel construction materials. In this respect, Saipem and Tubacex Innovación have recently developed together a new grade SuperDuplex material for application in the High-Pressure section of Urea plants. The new material has been designed to be used with traditional construction techniques, as well as additive manufacturing; it has been already tested in an industrial environment and recently some pieces of internals (ferrules) of the Urea Stripper, fabricated with the new material, have been installed in two operating plants to demonstrate the resistance of the material to the corrosive environment. This material is now ready for commercial deployment;
- continuing to enlarge our portfolio of high-end solutions with the deployment of the Snamprogetti SuperCups™ trays, for urea reactor, which drastically increase the mixing efficiency of the reactant phases, thus boosting the conversion rate of urea synthesis aiming to significantly reduce the energy footprint of urea production and its CO_2 emissions; several new and "revamped" facilities are adopting the SuperCups technology and a research programme to develop the second generation of SuperCups is on-going, with the aim of further increasing the

efficiency. As part of this R&D programme, the application of additive manufacturing by using the new SuperDuplex material is being studied, to enable making second generation SuperCups with a particular design;
- the integration of proprietary "Snamprogetti™ Urea Technology" in the overall ammonia-urea complex has always been a peculiar feature of Saipem. Today, it is worth mentioning that Saipem is engaged in the execution of CERES Project in Western Australia, where the novel SynCOR Ammonia™ technology by Topsoe allows outstanding results in terms of energy efficiency and CO_2 emissions. While executing this project, Saipem is adopting cutting-edge solutions such as extensive modularisation and integration with renewable energy;
- an innovative solution for Wastewater Treatment in Ammonia-Urea complexes, the SPELL technology, has been developed by a cooperation with Purammon Ltd. The technology can remove nitrogen through a novel electrochemical process, in compliance with the most stringent environmental regulations. To support the technology demonstration towards the final customers, a mobile containerised demo plant, with max capacity equal to 2 m^3/h has been built and exercised. A first test campaign on the pilot was carried out in September 2022 in Ravenna, with excellent results in terms of contaminants removal efficiency. A second test campaign was recently completed.

Efforts in the LNG (Liquefied Natural Gas) field are ongoing, also to define proprietary schemes for small-scale natural gas liquefaction and LNG regasification facilities, which can become a flexible way also for supporting sustainable mobility in the near future. The proprietary Liqueflex™ and Liqueflex™ N_2 technologies for the liquefaction of natural gas, have been just devised for small and mid-scale plants, to suit the current market scenario requiring quick time to market solutions.
Various innovative solutions have also been patented by Saipem to increase the profitability of either new-built or existing LNG regasification terminals, by recovering cold energy from LNG to minimise the terminals power consumption and CO_2 emissions. The business line is also supporting the final customers in the evaluation of possible solutions targeting greener LNG facilities to further lower carbon emissions in large scale LNG plants.
In association with the LNG technology, Saipem patented a Telescopic Joint named "CASS", consisting in a joint with an innovative design that absorb pipe's thermal contraction in cryogenic application avoiding piping loops, with a consistent optimisation of pipeline routing and related construction costs and plant capex reduction. The innovative joint exploits the principle of telescopic movements, replacing expansion loops and it is applicable to cryogenic pipes but also on hot application. Saipem has developed the solution and is in the process of completing a DNV certification for the joint. Next step will be the installation in an operation plant upon entering in a collaboration agreement with concerned operators.

In relation to High Octane technologies, the identification and investigation of new possible configurations, for etherification unit to further reduce energy intensity of the entire process.

For all our proprietary technologies, an effort is also made to maintain and update the digital design tools. to improve the efficiency of the entire project life cycle from acquisition to execution.

Innovation for the energy transition

As previously mentioned, the second part of this report describes the activities regarding energy transition. In the medium term, targeting progressive decarbonisation of energy and overall CO_2 emissions reduction, also in the Hard to Abate sectors, we are pursuing several initiatives that reflect four main pillars:
1. *Decarbonisation of Carbon-Intensive Industries* ("hard to abate"): we aim to continue to produce energy and products using fossil fuels while significantly reducing their associated climate-altering emissions. This applies not only to the Oil & Gas industry but also to other energy-intensive industries, such as steel, paper mills and cement.
2. *Offshore Renewables*: we are particularly oriented towards a few offshore renewable energy sources, mainly offshore wind but also floating solar.
3. *Hydrogen*: we see it both as a low-carbon chemical intermediate and as an energy carrier that can gradually replace natural gas, particularly in those applications that are difficult to electrify.
4. *Low Carbon Fuels, biomass conversion and circular economy:* we are committed to adopting new models that aim to create value and protect the environment by improving the management of resources, eliminating waste through better design, and maximising the circulation of products.

Moreover, in the mid-long term, in order to exploit all the possible opportunities in the field of energy transition, a few additional themes are under investigation such as Geothermal energy (including critical raw materials recovery), innovative Nuclear energy solutions and water management.

Decarbonisation of Carbon-Intensive Industries ("Hard-to-Abate")

Carbon is a key ingredient of fossil fuels, both in the Oil&Gas sector and in other industries, such as steel production, where it is a main component of any kinds of steels; in the meantime, it is also important to decarbonise other "hard to abate" sectors, such as cement production, as well as paper mills, waste treatment plants, etc., whose decarbonisation represents an important challenge for the achievement of carbon neutrality targets. Although CO_2 cannot be totally eliminated, it is important to find the best way to manage it.

Our company has a strong background in Carbon Capture, Utilisation & Storage (CCUS) thanks to capture process technology, experience in pipeline transportation of fluids over long distances, conversion of CO_2 into

chemicals and offshore drilling for CO_2 injection. We are making diversified efforts to assist our clients in reaching their decarbonisation goals and creating a more sustainable industrial model.
We have extensive experience in all commercial technologies related to CO_2 capture, thanks to our vast knowledge in the natural gas treatment, the syngas treatment (e.g. for ammonia/urea production process) and in the refineries from the off-gas treatment towards the gasification of tar residues. In this respect, in 2023, Saipem and Mitsubishi Heavy Industries ("MHI") have signed an agreement that allows Saipem to use MHI's proven technologies for post-combustion CO_2 capture in the implementation of large-scale projects.
Additionally, we keep developing our own "CO_2 Solutions by Saipem" technology, which aims to reduce the cost and environmental impact of capturing CO_2 from combustion processes. This technology uses an absorption process with a carbonate solution enhanced by a proprietary enzyme that can operate in process conditions. We have already tested this technology on a large scale at a demonstration plant (30 tons per day) in operation in Québec. We are also collaborating with Novonesis, a leading biotech company specialised in enzyme production and optimisation, to secure the enzyme supply chain.
Lastly, we have developed Bluenzyme™ 200, with a nominal capture capacity of 200 tonnes of CO_2 per day, a modularised system for post-combustion carbon capture that uses our CO_2 Solutions technology, in order to provide our clients with a compact and effective solution that can be brought quickly to the market. Bluenzyme™ is a plug-and-play system designed for different industrial sectors including Oil&Gas and hard-to-abate sectors; the product is applied to post-combustion emissions from new or existing plants.

We are also actively participating in the ongoing EU-funded innovation project "ACCSESS", started in 2021 and involving 18 European partners in the frame of the Horizon 2020 programme. ACCSESS is demonstrating the capture of CO_2 from flue gases coming from several hard-to-abate industries such as pulp and paper, cement production and waste-to-energy.
In 2022, a 2-tonne-per-day pilot plant, previously designed to be operated with amine solvent, was modified to operate with our CO_2 Solutions technology, which was identified as the leading technology of the ACCSESS project. The pilot plant has been successfully operated with our technology in the waste-to-energy plant Hafslund Oslo Celsio in Klemetsrud, marking the first important milestone of the ACCSESS project. After the completion of testing in Klemetsrud, the pilot has been moved to the Technology Centre Mongstad to be integrated with a Rotating Packed Bed (RPB) absorber unit, developed by Prospin and constructed by Proceler. The tests have demonstrated stable operations well satisfying target performance. This represents the next stage of development of our CO_2 Solutions technology. We are going to start additional test campaigns at the Stora Enso kraft pulp mill in Skutskär, Sweden, and at the Heidelberg Cement kiln in Górażdże, Poland.

In 2023, we successfully applied to the Horizon Europe call also for the project "COREu", always coordinated by Sintef. It has started in 2024 and is a large Research and Innovation project aiming to demonstrate key technologies for the entire CCS value chain, supporting the development of CCS routes linking emitters with storage sites in Central Eastern Europe.
Our scope in this project is significative both by contributing to enhance models for the safe design and operation of CO_2 transport networks and by supporting safe and long-term storage for the injected CO_2. In this respect the previously mentioned FlatFish will be used for subsea leakage monitoring as an underwater autonomous drone integrated with a CO_2 detection system with a "sensors fusion" approach.

In terms of CO_2-reuse, we are actively supporting our clients with potential CO_2 reuse options, particularly in areas where infrastructure for CO_2 collection and transport to storage is not available (see also the low carbon fuels section).

We are also working to further improve our knowledge and capabilities in CO_2 transportation. After having developed the FEED for the offshore pipeline of the Northern Lights project, we have collaborated with the University of Ancona (Italy) to assess the impacts of CO_2 impurities in pipeline flow assurance and review leak detection methods for onshore transportation. We have developed R&D works for Exxon to study the detailed readiness levels of all the subsea components involved in CO_2 subsea transportation systems from shore to wells. We continue to study the applicability of polymeric material in pipeline systems, thanks to our participation in the European funded project "CO_2 EPOC", an R&D project carried out by the Norwegian company SINTEF and promoted by Equinor & Total. Furthermore, our associated Norwegian company Moss Maritime has developed solutions for a liquefied CO_2 vessel to collect and store CO_2 from various industrial sources.

With regards to CO_2 storage, Saipem is involved in various initiatives all along the project life cycle, for import and export terminals, assessing the technologies to properly treat and liquefy CO_2, to manage liquefied CO_2 loading and unloading and its boil off gas also through its reliquefaction, to optimise the scheme for its injection into wells in preparation to our further commercial developments in the UK.

Other decarbonisation services
To help our clients meet their Net Zero emission targets, we have also created specialised decarbonisation services that address both the emissions generated directly by the client's facilities and those throughout its supply chain:

- EmiRed™ an innovative solution and a methodology for "low-carbon design". EmiRed™ supports the sustainable investment decisions and the carbon neutrality ambitions pursued by the operators in the Energy industry. The "Low-Carbon Design" approach unlocks the highest decarbonisation performance from the early phase of any project in greenfield and brownfield industrial facilities. A unique service for low carbon solutions, it integrates the best available technologies engineered by Saipem, in the areas of Energy Efficiency, Renewable Energy, Carbon Capture and Fuel Switching. EmiRed™ is dedicated to environmental sustainability, as reflected in its name, which stands for "Emission Reduction solution". EmiRed™'s serves as both a design work methodology and an in-house GHG calculation digital App, which are necessary for the assessment of a project's GHG reduction and lifecycle cost. Operators can make informed decisions considering the environmental impact, the economic feasibility and operational costs advantages of low-carbon energy schemes proposed by our Emission Reduction solution. EmiRed™ has already been successfully applied to various projects for international clients.
- LCA (Life Cycle Assessment) studies: conducted in accordance with ISO 14040 and ISO 14044 standards, these analyses verify alignment with the EU-taxonomy, while also enabling international certification and compliance with the ISO 14025 standard, leading to the request for Environmental Product Declarations (EPD). LCA evaluations provide a reliable, transparent and quantitative assessment of the potential environmental impacts of projects, products, processes and integrated systems.

Offshore renewables

Saipem keeps investing in the offshore renewable market for both bottom-fixed and floating solutions.

Regarding bottom fixed solutions, Saipem achieved a key milestone by completing the installation campaign for the Neart na Gaoithe (NnG) project in UK, and advanced in the development of a new modular concept for midwater depths (50-80 m) and wind turbines up to 20 MW extending the portfolio of products Saipem can offer in this segment. Saipem is also participating to a JIP on early age cycling of grouted connection coordinated by DNV.

For floating wind, Saipem kept on progressing for the industrialisation of our STAR1 semi-submersible technology in particular through the local final assembly solution called SmartYard. High productivity solutions (fit-up, welding, non-destructive testing, etc.) are being validated internally and through the RECIF JIP (supported by ADEME, French Energy Transition Agency) to make this final assembly as efficient as possible.
Saipem is also engaged in the 3.5-year "FLOATFARM" EU-funded project, started early 2024. The project aims to significantly advance the maturity and competitiveness of floating offshore wind technology and will see the deployment of a small-scale STAR1 prototype in Naples.
Development efforts have been maintained on the numerical tools development and calibration for floating wind to improve accuracy and practicability of the calculation chain and also to evaluate the potential of CFD (Computational Fluid Dynamics) for models calibration through a PhD in collaboration with Ecôle Centrale de Nantes. Saipem is also contributing to a number of JIP's focused on mooring systems design and monitoring lead by various major research centres.
And finally, Saipem keeps on evaluating disruptive concepts and solutions for floating wind and mooring systems to identify new ways and options to further reduce floating wind LCOE.

Regarding the floating electrical substation, the generic design for a 500 MW high voltage alternating current (HVAC) unit has been completed and a Statement of Feasibility by DNV has been issued. Saipem is also joining the 2nd phase of JIP for floating substations led by DNV.

In the offshore renewables area, the Company is also developing further initiatives: for example, XolarSurf, in partnership with Equinor, is a new concept of "Offshore Floating Solar Park", developed by Moss Maritime, for applications also under severe wave conditions; together with Sintef the two companies have performed tests on a scaled floating solar model. Pilot project started in 2023 with a deployment offshore in mid-2024. A Statement of Conformity for its design has been recently handed over by DNV.

Hydrogen

Saipem can design, size and execute industrial plants using green and blue hydrogen technologies for industrial sectors, either the conventional ones based on Hydrogen both as a chemical intermediate and for hard-to-abate sectors where electrification is not feasible, and as energy carrier for heavy duty vehicles, rail and maritime transportation. Saipem provides industrial solutions such as large-scale electrolyser plants for hybrid industrial applications, including those defined by the low carbon ammonia and green hydrogen valley projects.

In November 2023, the entry of Sosteneo (Generali Investments) into Alboran Hydrogen Brindisi Srl alongside Edison (the major industrial shareholder) and Saipem represents a key step in the development of Italy's largest Hydrogen Valley. The Puglia Green Hydrogen Valley project will accelerate the adoption of green hydrogen in the national energy mix, helping Italy and Europe reach their climate neutrality targets by 2050. It aims to build two green hydrogen production plants in Italy, in Brindisi, and Taranto for a total capacity of 160 MW and powered by renewable electricity provided by dedicated 260 MW photovoltaic plants, as well as by the electric grid via green power purchase agreement. The two plants will produce up to 260 million cubic metres of renewable hydrogen

per year and 190,000 tonnes of CO_2 emissions reduction. The produced green hydrogen will be transported to end users through a repurposed pure hydrogen pipeline and new connecting ancillary gas network, contributing to the decarbonisation of the nearby industrial sites of Brindisi (incl. petrochemical industry and power stations) and Taranto (incl. energy intensive industries such as a big steel-making plant and refineries), combining several H_2 applications into an integrated H_2 ecosystem.
The project has been submitted to IPCEI (Important Projects of Common European Interest) funding; in December 2023, Saipem, together with its partners, finalised the lasting two years process of requests for information from EU DG Comp and the Italian MIMIT Ministry and in February 2024 has been notified, with a €370 million funding grant, among 33 projects included by the European Commission in Hy2Infra, the third IPCEI to support the development of hydrogen infrastructure in Europe.

In synergy with CO_2 capture green hydrogen is an enabler in the value chains of green chemicals and e-fuels, and several projects and initiatives are ongoing mainly in Europe, USA and Australia with capacities ranging from 50 to 500 MW. With the purpose to address the market and drive demand, Saipem has signed an MoU with a major electrolysis technology provider of both alkaline and PEM technologies, and an internal industrialisation project for a 100 MW green hydrogen package has been finalised.

In the infrastructure sector, Saipem is also heavily involved in the development of onshore and offshore pipeline readiness for pure hydrogen and hydrogen/natural gas blending and is conducting studies in Mediterranean and North Sea areas. Saipem has obtained the Approval in Principle statement from RINA with reference to Saipem's methodology for evaluating the performance of metallic materials and related welds for the construction of subsea pipelines for hydrogen transport. Moreover, Saipem is involved in the design of ship liquefied hydrogen transportation vessels through Moss Maritime, that has won an Approval in Principle from DNV for a liquefied hydrogen (LH_2) containment system design.

Low Carbon Ammonia

Ammonia is a carbon-free molecule which can be liquefied at mild conditions; hence, it is widely recognised as one of the pivotal elements of the energy transition both as a hydrogen carrier and as a direct fuel. Leveraging decades of experience in the execution of Ammonia projects, Saipem is nowadays at the forefront in the implementation of solutions that allow the development of the whole ammonia value chain.
For large-scale Blue Ammonia facilities, SynCOR Ammonia™ by Topsoe is emerging as the technology of choice. Currently, Saipem is engaged in various Blue Ammonia initiatives where it is providing solutions to achieve the highest possible carbon capture rate (up to 99%) by proper integration of the ammonia process with the utilities (especially the steam and power generation) and management of the captured CO_2. It is worth mentioning that these initiatives are based on different capture technologies, selected for the specific project to meet the peculiar targets.
To facilitate the deployment of an end-to-end ammonia value chain, large infrastructures are required for the storage and transportation of ammonia, as well as for its cracking, when ammonia needs to be reconverted to hydrogen. Saipem is developing innovative solutions for large ammonia terminals, such as the use of Gravity Based Structures (GBS) to overcome issues of large-scale onshore facilities, which are already under consideration by prospect clients in engineering studies and FEEDs for ammonia storage, cracking and pipelines.

Low Carbon Fuels, biomass conversion and circular economy

The energy landscape drives Saipem to look with increasing interest at the technologies of Low Carbon emission fuels production, both liquid (biofuels, and synthetic hydrocarbon liquids) and gaseous (biogas, hydrogen, synthetic methane and bio-methane). While low-carbon emission fuels provide today a small percentage of global energy demand, they will be key to decarbonise long-distance transportation and parts of heavy industry.
As technology integrator and developer, Saipem is involved in various initiatives, all along the project life cycle, aimed at driving its customers to select and develop the most suitable technology paths for producing sustainable products. In particular, for the production of synthetic fuels, such as e-methane, e-SAF (Sustainable Aviation Fuel), e-naphtha, and e-methanol, Saipem is actively assessing these technologies and evaluating the associated technological risks.
At the same time, Saipem continues to study and analyse markets and global technology landscape for biomass conversion technologies in terms of gasification for the production of Syngas, anaerobic digestion and purification for biomethane production, pyrolysis and hydrothermal liquefaction for bio-oils production. Saipem also carries out projects for the refinery conversion, in particular for the production of renewable diesel and SAF from waste oils, also in addition to energy crops not in conflict with the food chain. In these plans Saipem is generally involved as contractor, also supporting the customers in the technological consolidation.

As far as the circular economy is concerned, the ability to develop innovative solutions for sustainably treating plastic waste and turning it into valuable products is becoming increasingly crucial. To this scope, we are promoting circular economy models for plastic waste and exploring potential partnerships with waste sorting companies, technology providers and final off-takers to build comprehensive chemical recycling plants and improve our offering.
In addition to the MoU with Quantafuel ASA for waste plastics pyrolysis, in the field of plastic depolymerisation. Saipem and Garbo, an Italian chemical company, have signed an agreement to support the industrialisation,

development and commercialisation on a global scale of a new technology for PET (Poly-Ethylene-Terephthalate) recycling. The technology, named ChemPET, is Garbo's proprietary technology which chemically recycles PET-rich waste producing the intermediate ester of the traditional PET synthesis, from fossil based raw materials, to be used to produce cRPET (chemically recycled PET), with the same properties and applications of virgin PET.

Novel prospective themes

As previously anticipated, in the mid-long term, additional themes are under investigation with the ambition to catch all the possible options for an effective energy decarbonisation, and not only limited to that.

In the **geothermal energy** sector, in the last year an R&D programme has been developed to position Saipem in a new geothermal energy landscape, investigating solutions for the exploration of the geothermal resources beyond their conventional technical and geographic boundaries. In particular, methods and technologies to exploit geothermal resources not economically viable with conventional solutions are being investigated, also moving towards never-exploited geothermal resources such as offshore, including the valorisation of possible co-products (critical minerals, desalinated water, green hydrogen and related carriers, etc.).
Moving from ready to market solutions to new developments, three key areas involving also the transfer of technological skills from Oil&Gas have been identified:

- sustainable exploitation of substantial and consistently distributed geothermal resources globally available in offshore settings to date not yet commercially exploited;
- next-generation (unconventional) technologies to overcome obstacles of conventional (hydrothermal) geothermal vastly expanding resource availability and potential commercial adoption;
- solutions for harnessing geothermal energy from depleted Oil&Gas wells as an innovative alternative to their plug and abandonment.

Furthermore, Saipem recognises the importance of geothermal energy also for the hybridisation of close-to-market projects and technologies by carrying out the following commercial activities:

- integration of own solvent-based carbon capture technology, CO_2 solutions, with low-to medium-enthalpy geothermal energy increasing both economic and environmental benefits of the CCS value chain;
- recovery of co-products from geothermal systems including the possibility to recover critical and strategic minerals (such as lithium) fundamental for both clean energy and digital transitions.

As regards geothermal, collaborations with reference research centres are being defined, as well as discussions with possible strategic partners for a quicker development through knowledge sharing.

As regards **nuclear energy** focus is initially about potential applications of new SMR (Small Modular Reactor) and mini-batteries nuclear energy technologies, with the aim to generate power, and possibly process heat, with near-zero greenhouse gas (GHG) emissions, at Oil&Gas facilities, with particular regard to offshore applications.

In 2024, Saipem has undertaken its journey in **Water Management** by dividing activities into four main clusters: wastewater treatments, primary water treatments, water infrastructures, water recycling and reuse. In addition to the activities underway, and already covered in this document, a few new applications have been identified to be explored in 2024 and to which Saipem can make an active contribution. One of these is the mitigation of losses in large water distribution networks through innovative monitoring systems based on the most recent technologies and, more generally, the application of the Water Management System which brings together different aspects of water network management in a single integrated solution. In the offshore sector, scouting is underway for some cutting-edge technologies such as massive transport and underwater storage of fresh water and finally subsea desalination systems.

Novel Innovation methodologies

Saipem, in collaboration with the Politecnico di Milano, has developed a first of kind approach to identify, assess, and manage technological risks to support the effective implementation of complex projects, especially in the energy transition field. This methodology adds to the "TechInnoValue" methodology, always developed with the Politecnico to track and measure the value generated by technology innovation inside the executed projects, in relation to the sustainable development of the business and in line with the Company's ESG objectives.

Intellectual property

Within the complete framework of technology innovation activities, Saipem filed 5 new patent applications in the first half of 2024.

HEALTH, SAFETY, ENVIRONMENT AND QUALITY

Health and Safety

During the first half of 2024, Saipem continued, with its usual conviction, on its pursuit to ensure high health and safety standards for all its personnel.
Safety statistics show that it continues to perform better than its peers.
In the first half of 2024, the HLFR (High Level Frequency Rate) fell from 0.74 (end of 2023) to 0.52 (end May 2024).
The Company continues to invest resources to maintain a high level of attention to health and safety issues, in the development and updating of its HSE management system and in the dissemination of various awareness-raising initiatives throughout its operations.
These are the initiatives promoted by Saipem:

- the **Leadership in Health and Safety** (LiHS) programme aims to spread a solid health and safety culture by promoting positive behaviour, with a strong focus on leadership. The programme also engages customers, partners and subcontractors, garnering across-the-board appreciation of the factors behind its success, namely its structure, visible leadership and its approach based on universal values.
  In 2024, 423 LiHS events of different kinds – workshops, cascades and other specifically developed initiatives – were organised, involving more than 18,500 people.
  The "LiHS Reload" events, launched in 2023 to support the dissemination of the new Saipem health and safety vision, continued in the first few months of 2024, during which a new topic concerning physical and mental health was added to the Vision. The main events included the workshop organised in Rio de Janeiro for the management of Saipem do Brasil, the event held in Perth for Saipem Australia and the key players of the Australian projects, and the HSE charter workshop organised in Versailles for the Kaminho project, involving the management of all the Kaminho contracts (SURF, FPSO, O&M) along with the customer TotalEnergies; also worthy of mention is the event in Arbatax, part of a plan that will continue in the second half of 2024 aiming to relaunch LiHS messages also to local suppliers and contractors. In cooperation with the HSE departments of the related business lines and with the operational functions, the workshops continued for the vessel teams of the construction fleet and a similar programme was launched for the drilling fleet. In addition, at the request of the Hook-Up department, LiHS workshops were delivered within the framework of a new training programme for the teams overseeing the hook-up phases of Asset Based projects. To ensure that the message is filtered through from the managerial levels to the more operational levels, during the World Day for Safety and Health at Work all sites organised and independently delivered a specifically prepared cascade, focusing on the CEO's speech in the film "The Safer, The Better"; all cascades of this type after April 28 contributed to the "Global Cascade Event", thus called by virtue of the significant geographical spread of Saipem sites and the fact that all the events were held practically simultaneously. For this special occasion, the HSE department provided all the managers with a toolkit including a guideline to support the speaker, a presentation covering the main topics to be addressed and a poster and videoclip of the new Health & Safety Vision, but especially the film "The Safer, The Better", the central tool of the LiHS programme. Through these events, the managers had the opportunity to share the key messages of our CEO, Alessandro Puliti, with the whole Saipem population, as well as with all the main stakeholders, including customers, subcontractors and partners. Over 60 events have been organised involving more than 15,000 people.
- For the launch of the **Human Performance** programme, on April 10, a special event was held in Houston, in the presence of the CEO Alessandro Puliti and organised in partnership with ExxonMobil. The event saw the Top Management of Saipem working side by side with that of ExxonMobil, and was an opportunity to officially launch the new Saipem film entitled "Fail Safe", focusing on Human Performance principles and their implications in actual operational scenarios.
- **HSEQ Alignment**: in May 2024, a special event was organised involving the QHSEs and HSE managers of the business lines, areas and main companies in the Group, in order to align all the managers to the change in paradigm that will lead Saipem to focus on Human Performance (HP), new technologies and asset integrity in order to reduce, if not eliminate, fatal accidents and life-altering injuries. During the two-day event, the participants had the chance to get together, brainstorm, share ideas and define concrete actions to implement in order to start applying HP principles in an aware manner.
- **Technological Innovation**: the Company continues to focus on technological innovation, aiming to improve the safety conditions in operational sites. The Safety Step Up programme has led to the creation of a permanent observatory analysing the new technologies made available to the market and assessing their potential implementation. Currently, pilot projects are ongoing in various operational sites to test an array of initiatives, including the use of AI to analyse video-camera images in order to identify safety breaches, the use of advanced anti-collision sensors, the adoption of alarmed safety harnesses, and the use of inspection drones. The initiative concerning the use of artificial intelligence (AI) for image analysis has been developed with a specialised start-up. It is currently being implemented on two offshore drilling vessels and a roll-out plan has

been defined from here to end 2025 for a total of 10 sites and vessels. The types of breach that can be identified relate to the lack of personal protective equipment (PPE), lack of barriers, anti-fall devices, site tidiness and cleanliness, proximity to machinery and others besides. The system can also monitor access to the probe plan by drilling vessel personnel.

- **Electronic Permit to Work System (e-PTW):** the programme, established by the CEO in early June 2023 and running until December 2024, aims to implement an electronic system for the digital management of the work permit approval and issue process for offshore construction and drilling assets, FPSO vessels and fabrication yards. The system will make the permit to work system more effective and efficient, ensuring the correct management of the activity authorisation and coordination process, based on risk analysis and the identification of prevention and protection measures.
- **Other HSE awareness campaigns**: to ensure that key information and knowledge is disseminated to all workers, thus supporting a culture of change, a series of campaigns were developed for implementation at company, branch and project/site level. These HSE campaigns aim to tackle specific topics deserving special attention, including:
  - **objects falling from a height (DROPS)**: focuses on the management and implementation of checks to reduce both the probability and consequences of accidents caused by falling objects, in order to protect equipment, the environment, operations and, above all, staff health;
  - **safe driving (Belt Up or Get Out)**: aims to solve the problem of road accidents, promoting safe conduct, first and foremost by drivers, but also by passengers;
  - **safe hands (Keep Your Hands Safe)**: this campaign focuses on the protection of hands, the most precious tools in our everyday lives, both at home and at work.

  Each campaign was designed to be incorporated in sector and local HSE plans/procedures and is part of the HSE campaign matrix.
- The promotion of **Choose Life**: a training programme that aims to strengthen leadership and increase Saipem people's awareness on health and well-being issues, with the objective of encouraging them to choose a healthier lifestyle. Physical and mental health has become a prerequisite for working well and safely in order to face the major challenges of our industry. The programme aims to tackle three of Saipem's major health risks: cardiovascular diseases, malaria, and sexually transmitted diseases, which still cause serious chronic illnesses, representing repatriation risks. Another important topic recently added to the programme is mental health, which has become one of the key issues in our sector. The programme has been developed internally and coordinated with the medical department. It is available both in traditional format (in person or online workshop) or as an e-learning course.
- The continuous delivery of **HSE Train the Trainer (TTT)**: to ensure that our family of HSE instructors are always improving their training, the Train the Trainer course is constantly provided. The main goal is to increase participants' knowledge of training design and delivery methods, and of internal resources essential for HSE training, such as the Delphi training portal, as well as the HSE registration and reporting process. The online programme consists of 2-hour sessions per day for 5 days and a Continuing Professional Development (CPD) programme lasting 12 months (learning activities in which the professionals are engaged in developing and improving their skills). The HSE TTT project is involving the global community of trainers and is aligning them to a common standard of delivery. The participants regularly share their CPD activities and receive individual feedback on their inputs. In the first half of 2024, two sessions were carried out involving 25 trainers and another session is planned for the second half of the year. The aim is to engage the community of HSE trainers and LiHS programme facilitators, providing them with exclusive content aimed at improving their technical, communication, and training delivery skills, allowing them to connect with colleagues and share their knowledge. All members can have an active role in this community and share their experiences, ask questions, and communicate with their colleagues. The community is fed with interesting content on training strategies, and tips for self-development, relevant articles, and videos, as well as regular masterclasses on topics useful for the trainers. Finally, there are also many initiatives carried out by the Saipem Leadership in Health and Safety (LHS) Foundation, whose core mission is to increase the awareness of health and safety within the industry and in society.

  In line with its mission, in the first half of this year the LHS Foundation launched several related initiatives, aiming to foster an increasingly widespread health and safety culture in Italy, targeting children, businesses and all the community. To engage and educate a young audience, LHS Foundation launched the School Tour 2023, a tour with theatre performances on Health and Safety topics, for over 12,000 students across Italy. "Improsafe", "A chi tocca", "Pinocchio", "La linea sottile" are the performances designed to generate a strong emotional impact, shaking individual consciences and questioning deep-rooted beliefs and habits, helping the audiences to pay more attention to health and safety. There is a constant bond with everyday life experiences, as the events occurring every day in our environments affect us profoundly, and the children are encouraged to critically reflect on the limits of the reality they live in and the actions we can take to change it.

  "Italia Loves Sicurezza", one of the LHS Foundation's most famous projects; this year more than 18,000 people joined the campaign launched for the World Day for Safety and Health at Work on April 28.

  Activities also began for the HSE System, a network that aims to bring together representatives of large companies to share experiences in the HSE field and promote the dissemination of know-how along the supply chain, in coordination with the representative entities of the production system; its members – over 100 HSE managers from large companies – were invited to 3 key events, in Milan, Florence and Mantua.

The LHS Foundation also took part again in the Milano Marathon, the large charity sporting event involving over 120 Saipem athletes and marathon runners. Through their efforts, over €18,000 were raised for our Charity Partner Lega Italiana per la Lotta contro i Tumori and its "Visite sospese" project for people in economic difficulty.

- Finally, there are also many initiatives carried out by the Saipem **Leadership in Health and Safety (LHS) Foundation**, whose core mission is to increase the awareness of health and safety within the industry and in society. In line with its mission, in 2024 the LHS Foundation ran several initiatives for children, companies and all the local people, aiming to promote the value of health and safety. To raise awareness among young people, the LHS Foundation organised a second edition of the "School Tour", a tour of theatre performances – "Improsafe", "A chi esita", "Sicuro? Sicuro! Le nuovissime avventure di Pinocchio", "La linea sottile" – which so far has performed to over 5,000 students in 12 Italian cities. All these performances are designed to generate a strong emotional impact, shaking individual consciences and questioning deep-rooted beliefs and habits, helping the audiences to pay more attention to health and safety.
In addition, 31 classes from primary schools in and around Milan – 925 children – were involved in the project "Parole di primo soccorso", in partnership with the Croce Rossa, to learn to respond to minor and major everyday emergencies. Over 400 students from across Italy took part in the "Laboratorio di leadership in materia di salute e sicurezza" as part of the "Distretto Italia" project. As regards the activities targeting the business world, in 2024 the LHS Foundation launched a new film entitled "Fail safe", focusing on Human Performance principles. The film will soon be shown as a training tool at Saipem and shared with the industry. Support continues for the HSE system, a network bringing together over 100 HSE representatives of large companies to share their experience and foster the dissemination of know-how throughout the supply chain. This year the network published two important documents: a proposed change to the State-Regions agreement in the field of safety training and a guideline to improve the safety culture in businesses. Aiming to engage local people in health and safety topics, on April 28 the LHS Foundation launched the traditional campaign to celebrate the World Day of Health and Safety at Work: 135 documents and events were published on the "Italia Loves Sicurezza" platform, engaging over 18,000 people. In addition, once again the LHS Foundation took part in the charity sports competition "Milano Marathon", with over 140 runners. Through their efforts, around €18,000 were raised for our Charity Partner LILT (Lega Italiana per la Lotta contro i Tumori) and its "Visite sospese" project for people in economic difficulty. Finally, in 2024 the LHS Observatory – consisting of safety culture experts from the industrial and academic worlds and media professionals – published two position papers to trigger the HSE debate at cultural and media level, helping to spread knowledge and awareness. The first tackles the issue of HSE training, seeking to underline the main problems and suggest ideas for making this more effective. The second, which will be available shortly, explores the limits of media communication on the issue of occupational safety and how it can be improved.

Environment

Saipem is constantly improving the environmental performance, by adopting strategies to reduce and control the impact on the environment, as well as the conservation and valuing of natural resources.
To achieve these goals, environmental awareness needs to be fostered in Saipem's projects, sites, and locations. During the 2022 and the first half of 2023, Saipem confirmed its goal of reinforcing its commitment on different specific aspects: new quantitative KPIs have been included in the objectives of the Group HSE Plan in order to monitor and further reduce the main environmental impacts.
By setting quantitative targets for the new KPIs, it will be possible to highlight critical issues and room for improvement in the management of environmental aspects, as well as identify any anomalies in the system. Furthermore, the good quality of the environmental data reported by all our sites, projects and offices is the starting point for all activities.
The more accurate and traceable site-level data collection and reporting are, the more aware we are of our performance.
The focus of the Group HSE Plan for the environment includes:
- spill prevention and response;
- energy efficiency and climate change;
- reduction of water consumption and optimisation of water use;
- improvement of reporting data quality and traceability;
- reduction in waste production and maximisation of recycling;
- communication and awareness raising among employees.

Some of these activities are described in more detail below.

Spill prevention and response

Spills are one of the most significant environmental issues for the sector in which Saipem operates. Spill prevention and response actions are a top priority. Saipem operates by minimising the risk of spills and uses state-of-the-art equipment and procedures to implement mitigation and emergency management actions. In particular, one of the preventive actions is the mapping at Saipem's sites of critical elements and potential

sources of spills and the subsequent performance of spill risk assessments, aimed at assessing the risk of spills for each of the mapped elements. Should the assessments reveal risk levels needing attention, risk mitigation measures are implemented. In the past, mapping and spill risk assessment involved all offshore vessels and part of offshore and parts of the drilling vessels, yards and logistics bases. Saipem is therefore also committed to identifying and monitoring all possible risks associated with the storage, transport, and use of hazardous substances during its activities.
In addition, since 2022, the Group HSE Plan includes a new objective for the offshore vessel fleet, aiming to assess the feasibility of replacing mineral oil with biodegradable oil, in order to further reduce any environmental damage in the event of leaks.

Emissions of greenhouse gases

In February 2021, Saipem communicated to the market its first emission targets defined for the medium-long term, announcing a reduction by 50% of the total emissions of GHG Scope 1 and Scope 2 by 2035 (compared to the 2018 baseline). In relation to Scope 2, the carbon neutrality goal should be reached by 2025. Further reductions will need to be reached on all scopes (Scope 1, 2, 3) by 2050 in order to achieve Net Zero.
In 2023, the maximum target outlined in the Net Zero Programme in terms of GHG emission savings was reached, with 47,036 tonnes of CO_2 equivalent avoided against a target of 40,104 tonnes of CO_2 equivalent.
Examples of initiatives implemented in the year include: the improvement of energy efficiency characteristics through the purchase of a vessel with higher performance (Santorini); the improvement of the efficiency of lighting systems in many onshore and offshore sites; the use of biodiesel to reduce the consumption of fossil fuels in an offshore yard; fuel consumption savings through hull/propeller cleaning on some vessels (FDS 2, Santorini and Castorone); route optimisation, improved energy management on offshore rigs (Saipem 12000, Saipem 10000 and Scarabeo 8); the installation of the closed loop switchboard on the Saipem 7000; increased efficiency of accommodation camps in onshore projects; the purchase of certified, renewable electricity on sites where possible.
Four-year plans were defined to reduce GHG emissions including short, medium and long term forecasts, drafted both at Group and Business Line level, considering the evolutions in progress and future developments. Specifically, the normative requirements, expectations of stakeholders, technological developments and the availability of energy scenarios were assessed.
For 2024, the following objectives have been defined:

- to reach a target of GHG emissions avoided, associated to energy efficiency initiatives, for up to 49,388 tonnes of CO_2 equivalent. In this regard, at the end of the first quarter, savings of 8,931 tonnes of CO_2 equivalent were recorded, with an estimate for first half of the year of over 24,000 tonnes of CO_2 equivalent;
- to maintain sourcing of 100% renewable mains electricity for the sites that have already adopted this, seeking where possible to cover the remaining sites with specific certifications (where applicable) to reach the carbon neutrality goal by 2025.

Offsetting initiatives will be added to the reduction of emissions linked to our value chain, through Nature Based Solutions, with a positive impact on various key topics including biodiversity, the protection of critical ecosystems, local communities and natural resources.

Improvement of reporting data quality and traceability

To improve reporting data quality and traceability, the following actions were defined for 2023 and 2024:

- strengthening of data checks: collection of evidence from all sites, for each quarter, in order to check the data origin;
- training on reporting: training sessions for all persons involved in reporting are ongoing, to trace the process from data source to data entry;
- dashboard devoted to environmental data to facilitate the complete analysis of data reported by sites and to highlight any variations in trends;
- raising awareness of the importance and need for reliable reporting of spill data.

Communication and environmental awareness

In 2023 and in the first half of 2024, initiatives were launched to motivate staff and make them aware of the issue of environmental protection and proper management of environmental aspects.
The days celebrated in 2023 have been reconfirmed for 2024, in particular:

- World Water Day;
- World Environmental Day;
- European Mobility Week;
- European Waste Week for reduction.

In June, during the annual celebration of the World Environment Day (WED), the United Nations environment programme (UNEP) launched the slogan **"regeneration of the natural environment"**. Saipem has been taking part in the world environment day celebrations for over 10 years, again renewing the invitation to all sites and projects worldwide to spread awareness among their employees of the importance of respect for and care of the environment; it also invites everyone to promote actions and solutions that bring benefits to the environment.
We have a strategy to minimise the use of disposable plastic from our offices and workplaces, and we encourage our employees to reduce their plastic consumption. We have distributed over 5,000 cups and water bottles in our Italian offices and have installed water dispensers and water purifiers in some of our vessels. In addition, for world environment day, we launched a new campaign to raise awareness and improve separated waste collections in the Italian sites.
Specific material is prepared for each event, shared with each business line and made available on the company's intranet. The campaigns were also advertised on official social media through dedicated posts designed to reiterate, also externally, Saipem's commitment to global environmental matters.
The results achieved by the business lines have been and will be published in a dedicated section of "eNews", an in-house magazine, issued every four months, which promotes initiatives and projects related to the environment carried out at corporate level.
Finally, the corporate voluntary initiatives, launched in 2021, continue with associations working to redevelop areas degraded by waste dumping. Over the years, the main Saipem Italia sites have been involved, and the participation and interest of our employees have grown considerably.
Finally, a further activity run in 2023 is the implementation of a method for identifying, assessing (in qualitative and quantitative terms) and managing environmental risks, starting from the project bid approval phase. Risk assessment is already integrated into operational projects. The aim is to assess the environmental risks associated with the projects and Saipem's exposure to such risks. In this context, the impacts of projects on Saipem's environmental policy and objectives are therefore considered. The general project information, including the project type, location, hours worked (WHM) and project cost provide information used to categorise each environmental risk as low, medium or high. Mitigation measures that are already planned or generally applied for a specific activity are then included in order to assess the residual risks.

The environmental aspects examined by this process include:
- GHG emissions: in relation to this aspect, the assessment is performed both at individual project level and cumulatively, to identify how the activities, if acquired in the company portfolio, would affect:
  - the company's own absolute target for reducing Scope 1 and Scope 2 GHG emissions;
  - the Company's conformity with the regulatory framework of each country and its climate change targets;
- water withdrawals;
- conservation of biodiversity;
- waste management.

Quality

In the definition and governance of the Quality management system, the main activities performed in the first half of 2024 are described below:
- management and maintenance of the Quality certificates relevant for the Company (ISO 9001);
- drafting of the Group Quality policy aiming to further centralise the characteristic steering, coordination and control activities in the current organisation;
- analysis of 2023 results in terms of performance indicators and progress of the improvement actions defined in the Quality Plan 2023 to identify improvement actions and targets for 2024. Drafting of the Group Quality Plan 2024 (part of the HSEQ Plan 2024) containing the quality improvement initiatives that are complementary to the performance of the routine activities provided for in the referred standards;
- continuing optimisation and formalisation of Quality Assurance and Quality Control processes, in line with the current organisational model. In this area we point out the redefinition of the following sub-processes:
  - Non conformity;
  - Return of Experience (REX) and Lessons Learned (LL);
  - Cost of Non-Quality (CoNQ) and Quality Investigation;
  - Customer Satisfaction;
  - Method for estimating Quality resources for project execution during the bid phase;
  - drafting of new Group Criteria for the Pipe Tracking System process;
- the identification of innovative digital solutions aimed at simplifying the management of Quality Assurance and Quality Control processes. Some examples include:
  - cost/benefit analysis for extending the application of Computed Radiography to other projects, in relation to clients' requests;
  - the application of Module 1 of the Request for Inspection (RFI) & Quality Check tool on Bonny T7 Site project, which aims to streamline the management of quality inspections and related certificates on site;
  - digitisation of the Audit Management process;

- development (using internal resources) of a POC for the integration of the Saipem Quality Control tool (PCOS) and the 3D model representation SW (Autodesk Forge), for the automatic visual representation of certification progress;
- re-issue of contracts (ASMT Compass and ILI Limited) relating to the provision of technical standards at Group level, through the analysis of the usage statistics, redefining the optimised scopes for signing contracts for 2024-2027;
- analysis of the usage statistics and consequent plan for the rationalisation of the services made available by Technical Standards at Group level, by optimising the scope of supply on equal level of service;
- overall analysis of the Project Quality and Quality Control professional family, coordinating the contribution of the various functions of each related structure, and drafting the technical skills development plan responding to the corporate needs.

HUMAN RESOURCES

Organisation

In the first half of 2024, several interventions and initiatives were developed to better reap the opportunities offered by the reference markets and ensure the continual improvement of the Company's performance and profitability. In particular, in continuity with the pursuit of the objectives of innovation, effectiveness and efficiency at the heart of the One Saipem culture, the following main interventions were carried out:

- reorganisation of the management of Business Integrity activities, with a risk-based approach to strengthening the principles of segregation, through: the reallocation of (i) Anti-Corruption and 231 control/compliance issues in the Integrated Risk Management and Compliance Function; (ii) the technical and specialist and criminal law legal assistance within the General Counsel's structure;
- allocation of insurance activities, previously assigned to the Chief Financial Officer, to the Integrated Risk Management and Compliance Function, guaranteeing the risk-based management of corporate insurance starting from the identification and assessment of the insurable risks and the identification and management of hedging actions;
- allocation of Public Affairs activities, previously assigned to the General Counsel, to the External Communication and Brand Management Function, strengthening and extending the network of external relations developed and managed at national and international level;
- establishment of a specific structure to develop Technical Authority activities for engineering in the Onshore E&C business, in order to strengthen the effectiveness of engineering processes and activities, both in the bid phase and during project implementation, promoting excellence and the improvement of performance in the various centres;
- reorganisation of the organisational structure of the Human Resources and Organisation Function, aiming to provide a more qualified service to internal customers, establishing highly specialised centres of expertise for various processes.

In order to ensure the increasingly effective implementation of the organisational structure based on the Business Lines, further actions were carried out in 2024 to develop the operational and functioning structure focusing on critical and relevant areas underlying the operational model, as well as the adaptation of the Regulatory System.

Human Resources Management and Industrial relations

In the first half of 2024, Saipem consolidated the blend of agile and on-site work to offer greater flexibility in the provision of work activities. Consistently, the actions seeking to maximise operational flexibility and the effectiveness of business processes through the combined use of technology and digitalisation continued.

The HR process re-engineering programme has continued, also through the continuous development of the new human capital management system which, thanks to integrated and optimised data management, places the employee experience at the heart of HR processes.

Measures also continued in an effort to retain critical skills for Saipem and action was taken on the motivation and level of engagement of expatriate staff with the introduction of more flexible tools and the confirmation of the policies introduced in the last year to support expatriate assignments, in order to be able to offer a market-competitive remuneration. In this scenario, Saipem aimed to ensure the constant update of the remuneration definition indices and is assessing new ways of defining these.

The first half of 2024 was marked by constant and profitable discussions with the trade unions in the Energy and Oil, Metalworkers and Maritime sectors, both nationally and at local/trade union level.
On January 15, 2024, to ensure increasingly higher protection of worker health and safety, an agreement was signed with the trade unions relating to the introduction of a technological artificial intelligence-based solution ("Smart Cameras") to identify and mitigate potential risk situations deriving from operations performed both on board the vessels working in Italian territorial waters and on Italian work sites. The tool was assessed in-depth both in HSE terms and in relation to privacy, through discussions between the relevant company functions and the "Joint National Body (OPN)", a trade-union based technical committee envisaged in the reference collective labour contract provisions.
A similar agreement was signed with the maritime trade unions.
The first experiment will be held in Italy from July 2024, on the Saipem 10000 as part of the Cassiopea project.

Pending in-depth discussions with the trade unions on new ways of managing working hours and agile work, in March 2024 two agreements were signed with the representatives of the Energy and Oil sector to extend the rules currently in force to September 30, introducing some adjustments to agile work (e.g.: work life balance for personnel suffering from chronic illnesses).

On April 15, 2024, an important industrial relations protocol was signed with the general and national trade unions in the Energy and Oil sector called "Corporate Participation Model" based on the concept of participation and engagement of Saipem people.
This unique protocol stems from the belief that a more participatory system of industrial relations, built around people, helps to maintain and strengthen Saipem's position in the fields in which it is actively engaged. The outlined system of industrial relations is based on three levels of contact: participation and information, consultation and discussion, negotiation and contracting, also consistently with the provisions of the collective labour contracts in force. The agreement also provides for the establishment of a non-negotiating Joint Saipem Corporate Committee (CAPS), based on the discussion of technical and other aspects and contents (e.g. training, health and safety, environmental protection, welfare, work methods) and the launch of a training programme focusing mainly on participation, on which both the trade unions and the company will work together.

With reference to the maritime sector, the first half of 2024 was marked by discussions with national and local trade unions aiming to renew the regulatory part of the sections of the Collective Labour Contracts of specific interest to Saipem.

Finally, intense discussions were held with trade union representatives in the metalworking sector, aiming to discuss and agree on the process for maximising operational efficiency through the stable increase in personnel, and guarantee increasingly efficient working conditions for the personnel working in the Arbatax yard.

As regards foreign industrial relations, a new collective contract was signed by Saipem Luxembourg Angola Branch in Angola and existing agreements in Mexico, Nigeria and Singapore were renewed. In Norway, in June 2024, a collective labour contract was renewed in the industrial sector governing the remuneration of the personnel involved in offshore drilling, as well as a sector-level framework agreement for oil services companies signed by the Confederation of Norwegian Enterprise (NHO) and the Norwegian Oil and Gas Association with the Norwegian Confederation of Trade Unions (LO) and Industri Energi.
In France, an agreement was signed with the reference trade unions to define the agenda of the mandatory negotiations for the period 2024-2026 and the existing agreement on remote working and the right to disconnect was completed. Also worthy of mention is the start of negotiations concerning the participation bonus for the period 2024-2026, the Company's transfer plan and, in compliance with local laws, the distribution of value in the event of an exceptional increase in profit.

As regards transnational discussions with the European Works Council (EWC), with a view to consolidating the company relations and efforts in strengthening dialogue with workers' representatives in the European Economic Area, in the first half of 2024 an extraordinary meeting was organised to present the Strategic Plan 2024-2027.

(units)	Average workforce	Average workforce
Asset Based Services	13,841	13,974
Energy Carriers	11,138	10,965
Offshore Drilling	2,926	2,515
Onshore Drilling	160	542
Staff positions	1,182	1,112
Total	**29,247**	**29,108**
Italian personnel	5,729	5,347
Other nationalities	23,518	23,761
Total	**29,247**	**29,108**
Italian personnel on open-ended contract	5,669	5,316
Italian personnel on fixed-term contract	60	31
Total	**5,729**	**5,347**

(units)	June 30, 2024	Dec. 31, 2023
Number of employees	29,758	28,756
Number of engineers	5,992	5,689

Welfare

Within the employee engagement policies, increasing importance is given to Welfare initiatives that are particularly effective in improving workers' quality of life, satisfaction and motivation, particularly fostering the work-life balance. Saipem confirms its commitment to providing its employees with quality welfare services that meet their needs and expectations.

In the first half of 2024, Saipem completed a number of initiatives relating to work-life balance, health and parenting support. In February, the new café was inaugurated in the Fano site, a welcoming, modern space where employees can meet for a chat during break times. In cooperation with the Saipem Health Function, aiming to promote food education, the project "Tailormade: la nutrizione su misura" was launched at the company restaurants in Milan and Fano. From April, employees can choose the most suitable dishes for their own nutritional requirements using specific icons.
At the start of the year, a protocol of understanding was signed with the Energy and Oil trade unions in the Health and Welfare field, relating to some initiatives aiming to improve the quality of life of Saipem employees. These services, today running in Milan (e.g. smart clinic, check up over 45), will also be extended to other sites.
This protocol introduces a further important Welfare measure aiming to strengthen supplementary health care (FASIE) provided for in the collective labour contracts. From October 2024, Saipem, will cover all the costs of the automatic subscription of its employees (Energy and Oil CCNL) to the FASIE under the so-called "Standard" option.
The Estate Welfy programme for employees' children aged from 6 to 17 years was also confirmed. The initiative will allow 400 children (50 more than in 2023) to take part in the summer camps at the seaside or in the mountains, offering English language courses, sports and recreational activities in contact with nature.
In addition to the existing welfare initiatives in the countries where Saipem operates, remote working policies are being implemented, with a view to promoting work-life balance, in the countries where permitted by business needs and local legislation.

Competences and knowledge

2024 marks an important chapter in Saipem's commitment to promote and support the growth of its people through key initiatives to develop professional and aptitude skills. During the Strategy Line Up 2024, discussing strategy and objectives, the CEO and the Chief of People, HSEQ and Sustainability introduced the new "One Saipem Way" Behavioural Model, aiming to clarify the fundamental pillars and related expected competences for better targeting the achievement of common objectives to the whole population.
The Model, inspired by corporate values, is the starting point for guiding the processes of attraction, development and management of Saipem people and aims to strengthen the most relevant and strategic soft skills in the organisation, including pro-activity, commitment, innovation, conduct enhancing inclusion and diversity, as well as the central focus of all issues relating to the safety of our people.
The "One Saipem" concept indicates the need to consider each other and work as a single entity divided into several Business Lines, but united and cohesive in order to achieve common objectives. Talking of "One Saipem" therefore means underlining the central focus of the projects and, consequently, the need to pool skills and knowledge to ensure continuous and constructive dialogue.
2024 will mainly focus on the dissemination of the behavioural model and all related development and training initiatives. The first phase being launched relates to communication, training and familiarisation in the use of the skills defined in the model.
The training and information programme will address the whole company population and will stand out for its dynamic, stimulating and interactive approach. The course will be delivered in blended mode, with the learners at the centre of the experience both in F2F initiatives with trainers and in the digital version for use in e-learning mode.
The course aims to introduce the new Model and at the same time offer an opportunity for engagement on the values and principles underlying the Saipem culture.
At the same time work is being done on the design of soft skills training initiatives linked to our guiding behaviours, to support Saipem people in learning key skills.
Another important sign of Saipem's desire to invest in its people and continuously align its business needs is the establishment of an organisational function devoted to sustainable people strategy issues and the launch of a round table with academic experts to define the methods used to sustainably tackle the issues linking the business strategy to Human Resources policies. The three pillars of the project are the availability and continuous updating of the skills needed to implement the strategic plan, the engagement of our people, and welfare in the work-life balance.

The differentiated development initiatives continue in relation to the target population involved and in reference to the specific professional path. For young people, the aim is to identify, orientate and develop potential; for experts it is to assess soft skills and the potential for professional/managerial growth; and finally, for the managerial population, it is to verify the potential for growth towards more complex positions and identify possible further development.
The structured onboarding programme for new joiners in particular, introduced in 2023 aiming to reduce the times for integration into their roles while also developing the necessary soft skills with the required behaviour and business strategy for new joiners in the Italian sites, has continued successfully.
Saipem intends to extend it to all the Group branches and companies, to support the initiatives already developed on site in a structured manner.
For example, the "Parcours d'intégration" programme aiming to integrate new joiners in France has been developed. The programme is implemented in several phases, starting from when the new joiners arrive at

Saipem, welcomed by the HR Partner in a meeting during which the main issues relating to their career in the company are explained. Thereafter, they are sent to an “integration meeting” which allows every new colleague to find out about Saipem’s activities, presented by the CEO of Saipem SA and their line managers.
Another phase in this process is the participation in a workshop entitled "La Fresque du Climat", presented by the Sustainability colleagues to raise awareness on climate issues in an educational and cooperative workshop.
Supporting future managers in France, a training course entitled “Poseidon” has been studied for people recognised as Key/High Potential who will hold significant responsibilities in the organisation in the near future.
The main aim is to develop managerial skills, increase professional efficiency, create a dynamic network and strengthen knowledge of the Group, while sharing and promoting Saipem’s values.
Supporting the self-development of skills, Saipem has tested a coaching path for young managers. The service, available on a digital platform, represents a new tool allowing the people involved to increase their awareness of their own potential and improve performance through the definition and implementation of a bespoke growth plan, with the support of certified and qualified coaches. At the end of the path, Saipem deemed it fundamental to measure the level of satisfaction with the initiative, which received extremely positive feedback.
The managers are also the central focus of a series of interesting initiatives implemented in India aiming to strengthen people's leadership and management skills. In particular, both indoor and outdoor experiential training projects were organised, aiming to identify and perfect attitudes and behaviours through integration with activities simulating real life scenarios that help the participants to overcome fears, express emotions in a non-judgemental way and challenge inhibitions.
Not only soft skills lie at the centre of the Saipem personnel development strategy.
One of Saipem’s distinctive and characterising skills is project management, the continuous development and enhancement of which is of fundamental importance. Underlining the value and importance of this skill, in the early months of 2024 a new edition of the in-house project management takeaways path was launched. The course targets Junior PMs and people involved in the management of project teams and sets out to increase the participants’ awareness of project management processes, through sharing lessons learned and project work.

Supporting the development of qualifying skills for Saipem’s business, spaces are being set up in the Headquarters in Milano Rogoredo to provide technical training to Offshore and Drilling on-board personnel, using simulators for training in familiarisation and assessment in order to obtain the certifications required by the maritime laws.
The training initiative for all the professionals of the Supply Chain continues, with the launch of an e-learning training campaign primarily aimed at raising awareness of ESG principles: what is meant by sustainable business; what are the rights and duties of the company for protecting human rights and defending the environment; and the “Saipem Net Zero” programme, whose goal is to achieve Carbon Neutrality by 2025.
Saipem’s investment in the development of competencies is aimed not only at the know-how already present in the company, but also at the acquisition of strategic competencies through Talent Attraction initiatives. In 2024, this will also involve adopting strategies to improve and redefine the Company’s appeal.
During the first half of 2024, Saipem worked to implement educational advocacy initiatives, through agreements with training institutions, to develop the strategic skills among young graduates and school leavers required to implement the business strategy.
These also include the QHSE Master programme developed with the QUINN consortium of Pisa. The course, lasting 6 months, includes a first phase of classroom lessons followed by a period of project work, and targets fresh graduates and graduates with short experience, aiming to train Quality, Health and Safety professionals who can work as leaders in the energy transition.
In addition to programmes for fresh graduates, Saipem has worked to generate concrete opportunities for school leavers.
In 2024, the project to create an ITS Academy near Fano was planned and implemented; this aims to produce a new inter-generational pact to increase the practical performance of the local area. The project not only responds to the “European pact for skills” but also meets the ESG 2030 goals No. 4 and 8. The ITS courses are ministerial education programmes leading to a level 5 diploma. As leader of a group of companies, Saipem has generated a highly specialised post-diploma programme involving training institutions and businesses from all over the area. The course is entitled “Infrastructures and plants: complex projects and the ecological transition”. Lessons will start in October 2024.

In the first half of the year, Saipem worked on projects for the school-business system, striving to offer professional guidance for the young generations, including the Sinergia and Role Model projects.
As regards the first, again in 2024 colleagues were involved in training young students from 5 Italian technical colleges, and the programme will end in July with the participation in a Summer Camp offering workshops and learning soft skills, also participating in a final career day with a view to recruitment.
The Role Model project, on the other hand, saw the number of colleagues involved in this school and professional guidance programme, consisting of meetings and inspirational talks with a special focus on women and STEM subjects, double in 2024.
Initiatives for professional guidance and the recruitment of junior profiles in the company were also run abroad. For example, in Angola, an internship programme continues also in 2024, aiming to help students develop their skills through entry-level positions, creating links between universities and the company. This includes a

structured development path with monthly meetings managed by Human Resources to discuss the interns' challenges and business projects.
Consolidated relations with Italian educational institutes (universities and high schools) also continue in 2024 through the renewal of placement partnerships, with a view to constantly extending the current relationships and potential initiatives to take part in: career days, round tables, company visits, mock interviews.
2024 was therefore marked by the birth of new partnerships and the consolidation of historical ones.
Among the fields of cooperation, Saipem has defined a programme engaging students of the LUISS Business School master's "Human resources and organisation" in the production of a business case which, this year, was entitled: "Identifying tools and actions for attracting and engaging the population of STEM women in the company".
In partnership with Milan Polytechnic, Saipem has been involved in a series of initiatives, from virtual round tables on energy transition topics, co-lecturing activities on the "Sustainable Energy Carrier" course and open innovation with the "Complex Project" course on the management engineering degree programme.
The partnership with Bocconi University was also consolidated and at the beginning of the year it was the guest of a company visit for students of the SDA Bocconi Master in Corporate Finance.
Saipem has confirmed its commitment to developing a work environment that recognises and enhances individual and unique skills, consistently with the contents and commitments laid down in the Diversity, Equality & Inclusion Policy, a document representing a key source of inspiration. The D&I 2024 strategy, presented in April to the Diversity & Inclusion Committee, is based on the following 5 pillars: gender equality, generations, multiculturalism, LGBTQ+ and disability. The meeting with the D&I Committee was also an opportunity for illustrating the key actions and projects developed and agreeing on the priorities for the current year.
The objectives of the Strategic Sustainability Plan with validity 2024-2027, reconfirming the focus on the enhancement and development of female STEM skills, have been updated. To pursue this objective, Saipem has strengthened its commitment through inspiration and guidance activities: one example of this is the Elis programme, which continued by extending the pool of Role Models involved (10 in total). This experience, which will continue throughout 2024, was reported in an article published on the internal and external channels, during the International Day of Women and Girls in Science celebrated in February 2024.
Attention to the gender equality pillar, also fostering a culture of inclusion free of barriers and prejudices, is also demonstrated in the recruitment process; for this reason, in May 2024, at Group level the course "Recruiting Biases: How to recognise and avoid them" was delivered. The aim of fostering female empowerment was also demonstrated both by the communities of women created in Brazil and Mozambique and by raising awareness of women's development in specific articles published in internal newsletters in Angola and the United Arab Emirates. Moreover, Saipem has updated its guidelines for fostering the increase in women in the boards of its subsidiaries.
The interest in the topic of gender violence remains high; one example is the webinar designed internally in March 2024 for Italy, during the International Women's Day in cooperation with the psychologists of the Smart Clinic.
Continuing the commitment to fight violence and harassment in the work place, the prevention campaign "Molestie sul luogo di lavoro" continued and, at Group level, in February 2024 the course "Behaviours contrary to the Code of Ethics" was run.
Generally, training is a strategic channel for ensuring widespread awareness and knowledge of key D&I topics; in 2024, three training courses were run at Group level, respectively on the topics of Unconscious Bias, Disability and Gender Harassment. Furthermore, in cooperation with the associations Valore D and Parks Liberi e Uguali, a series of training and information initiatives on specific topics were promoted.
In late 2023, a maturity assessment was conducted, and ended in the first few months of 2024 aiming to map the key D&I activities at Group level and the relative degree of D&I maturity. Supporting the significant commitment to multiculturalism, the World Day for Cultural Diversity for Dialogue and Development was promoted through the collection of photographic material at Group level, as an expression of the wealth of cultural diversity, traditions and customs that distinguishes Saipem.

Compensation

The Remuneration Policy 2024 aims to support Saipem's growth process, business strategy, mission and corporate values through remuneration mechanisms used to attract, motivate and retain high professional and managerial profiles, with distinctive and critical skills for Saipem, and encourage the achievement of the 2024-2027 Strategic Plan objectives and sustainable growth of the Company.
This Policy has been designed in accordance with the governance model adopted and in compliance with the provisions of the Consolidated Finance Act, the Consob Issuers' Regulation and the Corporate Governance Code, pursuing the alignment with the management's interests and motivation with those of the shareholders and all the stakeholders, with the priority aim of creating sustainable value in the medium-long term.

For 2024, the policy guidelines include a remuneration structure for managerial resources divided into a Short-Term Variable Incentive Plan and share-based long-term incentives, through the second allocation of the Long-Term Variable Incentive Plan for the three-year period 2023-2025.
The Short-Term Variable Incentive Plan 2024 is monetary in nature and, with a view to focusing on improving the Company's financial and capital structure, envisages the passing of an entry gate based on Saipem's Adjusted Net Financial Position at the end of 2024.

The 2023-2025 Long-Term Variable Incentive Plan is share-based and has been structured to maximise the value of the incentive in the long term, strengthen management participation in business risk and improve company performance. The variable remuneration structure established is linked to operating and financial targets consistent with the Strategic Plan, as well as the 2025 priorities, and includes a significant and increasing weight of the ESG component, equal to 20% of the targets for both plans.

The 2024 Remuneration Policy is described in detail in the first section of the "2024 Report on Remuneration Policy and Compensation Paid" (so-called 2024 Report on Remuneration Policy) and was approved by Saipem's Board of Directors on March 12, 2024; it was subsequently submitted for a binding vote by the Shareholders' Meeting on May 14, 2024, receiving a 99.2% vote in favour.
As described in Section II of the document, in 2023, following the report of the Group's objectives and management performance assessments, the Group awarded individual Short-Term Variable Monetary Incentives as provided for by the Remuneration Policy 2023.

During 2024, the deployment of the 2024 corporate targets relating to the Variable Short-Term Incentive Plans has also been carried out according to a top-down process on the entire managerial population, ensuring a process of verification and monitoring of such objectives during the year.

The Remuneration Policy 2024 takes into account the challenges faced and overcome by Saipem in recent years, in a scenario highly penalised by the pandemic, the continuous increase in inflation rates, energy prices and commodity prices, which maintain a complex market scenario for the company. With the support of the shareholders and the significant efforts of its employees, Saipem has been able to turn the situation around, improving levels of efficiency, productivity and innovation and optimising the risk profile of contracts and the orders portfolio through appropriate re-balancing; confirming these results, senior unsecured guaranteed equity-linked securities expiring in 2029 for a total face value of €500 million were issued.

The 2024 Remuneration Policy is therefore also aimed at improving engagement, consolidating commitment and keeping motivation high, as well as ensuring talent retention, in order to guarantee the best execution of existing projects and those that will be acquired.

Saipem also continues to support its effort to reduce the gender pay gap, pursuing the principle of Equal Pay for Equal Work and providing disclosure on the fixed and global remuneration ratio between men and women by qualification, both in relation to Italy and the consolidated Group in Section II of the Remuneration Report 2024.

Innovation

In 2024, Saipem continued to digitalise Human Resources Department processes, in a transformation initiative that sets to main goal of mapping and rationalising the existing systems, defining a framework applicable to all the Group companies and adapting to them in a differential manner according to the Group needs and the adaptation of all the companies to this architecture, with major benefits in terms of optimisation, user experience and compliance with Corporate guidelines.
This programme includes the new Human Capital Management (HCM) tool, the Global Payroll initiative, the search for a vertical tool for on-board personnel management, the digitalisation of the HR Scheduling process and the new Self Booking Tool, as well as various initiatives for improving existing solutions included in the Falcon package, with particular reference to timesheet and travel processes.
The new HCM is a fundamental step in the whole transformation programme, as it will cover most HR processes, reducing the number of tools and related integrations, ensuring greater interfunctional efficiency and effectiveness and facilitating the self-service activities for all employees, as it is accessible remotely even from mobile devices.
Significant efforts have been made to develop the Employee Talent Profile, a section that will integrate information on employees and will offer a major overview of the skills sets and experiences available to Saipem.
In parallel to the continuous improvements of the implemented modules, in 2023 the release of the Compensation and Recruiting modules laid down in Wave 2 of the project continued. Especially for the Recruiting module, major digitalisation works are expected to minimise the low-value activities and integrate the various planning, selection, recruitment and onboarding phases.
The HR Department has also promoted a major Data Governance optimisation initiative, run jointly by with the Digital Department aiming to define a Master Data Management system to organise and categorise critical Saipem data. This project was launched with a focus on the acquisition and management of business projects, also involving the line functions, and is in preparation for the identification of the integrated management system for the HR Scheduling process for project staffing.

Consistently with the aim of increasing innovation and system integration, the Global Payroll project has been completed in almost all Saipem entities, soon with the latest release (Switzerland), through which all Saipem entities worldwide will be equipped with tools that will ensure ever greater standardisation and, governance, of the Personnel Administration processes.

An important benefit of this integration will be the possibility to implement and use Business Intelligence tools through which the main components of labour costs can be monitored more effectively.
In the first half of 2024, given the specific nature and strategic importance of on-board personnel and the related HR processes, and consistently with the "Offshore Competence Assurance & Assessment" programme launched jointly by the Asset Based Services and People divisions, HSEQ and Sustainability, Saipem conducted a market survey to identify a system that can cover the HR on-board processes, with the primary aim of transversally managing the skills of the Saipem fleet personnel.
Furthermore, the global early tester programme for the world's most advanced generative artificial intelligence digital assistant was launched in December 2023 and is continuing in the current year. This has been offered to hundreds of employees with the aim of reducing the time spent on routine tasks and allowing them to focus on activities with greater added value.
At the same time, webinars were organised for the whole population to allow them to become familiar with the new technology and learn about the main functions and integrations with the company tools.
Technology is a fundamental asset also for health issues, including telemedicine which, in Saipem, continues to be used and which, by 2024 will launch a teledermatology service abroad, providing specialist medical support to employees especially in remote work places and a telepsychology service that will be available 24/7.

Occupation Health and Medicine

As a member of the United Nations Global Compact, Saipem is working to support the goal SDG 3: good health and well-being for all, at all ages, and being a leader in protecting the health of its workers and preventing disease; it pursues this goal in compliance with the provisions on the protection of privacy and the national and international laws.
It considers the protection of health and the promotion of physical and mental well-being of its people to be a fundamental requirement for sustainable development, focusing not only on employees but also their families and the community as a whole. Saipem's approach to health is based on the One Health concept, which considers and integrated and unifying approach that aims to optimise people's health considering the interconnection between humans, animals and the environment.
The intention to ensure high standards of health and safety to all its personnel is once again confirmed is the WHP (Workplace Health Promotion) programme organised with ATS Milano and Regione Lombardia to maintain the status of "Workplace that promotes health" obtained in recent years.
In line with the programme, Saipem continues to build an environment that encourages the adoption of positive health behaviours and choices by employees, by promoting actions aimed at supporting healthy choices (dietary habits and active lifestyle) and counteracting risk factors (e.g. smoking, alcohol abuse).
Saipem's health strategy system covers occupational health, preventive measures, travel medicine, medical assistance and emergency response, preventive medicine and the promotion of health, lifestyle, mental and social well-being.
Aware that prevention is essential for a long, healthy life, since January Saipem has been offering cardiovascular and oncological prevention programmes to workers in the age groups of greatest risk, aiming to identify diseases and the related risk factors in advance and at subclinical level.
The Smart Clinic continues to run at the Milan site; this proximity service integrates local services with a specific attention to the potential needs of Saipem's people in both their professional and personal spheres. The facility has a clinic for health fitness check-ups, first aid services, training activities for caregivers, self-medication and self-administration of drugs and for travel medicine activities with a vaccination service.
The Smart Clinic also offers a psychological service, born from the desire to provide an additional resource for tackling the everyday challenges and pressures that can affect our mental balance and well-being. The professionals offer both a conventional approach, as well as a virtual environment using the metaverse. A social assistance service also manages family problems, support for the elderly and the management of disabled relatives, etc.
Saipem also believes in equal opportunities, and recognises the right to work of persons with disabilities, striving to mitigate any employment barriers and gaps and strengthening an organisational culture in which personal characteristics are welcomed and valued. For this reason, in 2023 a disability management model was developed; this uses the ICF classification of disabilities, identifying any gaps in participation in corporate life. The company is also implementing guidelines to guarantee full accessibility to working life through specific, structured and personalised initiatives and undertakes to promote an inclusive organisational culture on the topic of disability in all contexts.

Security

The references to international standards guide the development of corporate processes in line with the sector best practices; in other words, they are a "guide" to be followed, ensuring the adoption of a common language among the various operators.
The Saipem security model is based on a thorough analysis and understanding of the local context in political, criminal, economic, ethical, social and legal terms, in order to identify the mitigation measures required to ensure

an appropriate "security framework" for the business in which to develop the company's activities. For the physical safety of the persons we have to protect, the reference is the standard UNI 31000 on "Risk management - Principles and guidelines".
In the light of the above, Saipem is:
- managing security risk by taking preventive and defensive measures, in full compliance with regulations, human rights and the highest international standards;
- promoting the adoption of a uniform and integrated security system to ensure appropriate coordination of emergency and crisis management;
- ensuring the management of information gathered from relevant stakeholders in full compliance with the law and adopting international best practices;
- promoting the monitoring and management of security risks by designing optimal solutions that minimise the impact of adverse events and their likelihood of occurrence;
- setting up the most effective protection plans and mechanisms to safeguard the Company's personnel and assets;
- providing training and information to personnel on security risks in the work place right from the pre-travelling phase

A brief outline of the main events and the impact on Security issues:
- Hamas's attack on Israel has brought instability back to a region that has always been a centre of tensions. The macro-economic implications of the conflict depend on its timing, scope and the risk of any current or future involvement of other regional players;
- the Israeli-Palestinian conflict is having serious repercussions on the security of sea transport in the Red Sea, due to the attacks by the Houthis on transiting international vessels with Israeli interests;
- the longer and more extensive the hostilities, the more probable it is that they will affect global capital flows and the trade and raw material markets, compounded also by the continuing Russia-Ukraine conflict (in which neither side seems to be able to assure a final victory in the short term or a ceasefire or agreement, with the risk of an intentional or accidental escalation) and trade relations between USA and China, which continue to risk worsening;
- in Mozambique, where local elections have been held pending the presidential elections in October 2024, the situation has currently eased due to the presence of Rwandan military forces maintaining control over the Cape Delgado area;
- in Nigeria, where the country risk situation is monitored at "High" level, political strikes and protests continue following the general increase in the cost of transport, housing and consumer goods;
- in Senegal, the presidential elections saw the victory of the opposition candidate with no incidents of note, confirming positive signs of political and socio-economic change. No problems have been reported in the project underway (BP Tortue). In Venezuela, political and military tensions remain high due to a potential escalation of the Guyana Esequiba dispute. The growing tensions in Myanmar following the military coup in 2021 are not currently affecting our activities in Thailand.

The main mitigation actions in 2024 relating to the physical safety of people include:
- constant monitoring of the main threats to operational security and verification of the suitability of the countermeasures adopted in a structured risk management process;
- implementation of a local security organisation at country, operational company and/or project level;
- constant updating of the safety plans and evacuation plans where necessary;
- strengthening of the corporate Safety culture (e.g. adoption of a "low profile" modus operandi);
- cooperation with the Ministry of Foreign Affairs and its Crisis Unit and the local authorities in the countries affected by Saipem operations;
- cooperation with the Italian navy for anti-piracy and the protection of offshore routes;
- introduction of mandatory Health and Safety training initiatives for the personnel working abroad before leaving (pre travel Induction) and on arrival (local security induction), as well as cyber security awareness.

Cyber Security

Cybersecurity is a key pillar for Saipem.
IT attacks are an increasing risk factor for the global economy.
Although the trend is rising continuously for the referred commodity sector, Cyber Security risks are considered now to be stable, due to the implemented and constantly integrated measures protecting the company perimeter, which have been assuring zero critical incidents since 2018. Limited cases (5) of malware infection of individual systems were worthy of reporting to the National Cybersecurity Agency (ACN) in the first half of 2024; these events, both individually and as a whole, generated no impacts on other company systems and the devices were cleaned with no further consequences.
Immediate threats can be mitigated using solid security protocols and governance: in recent years, Saipem has adopted an integrated approach to physical and cyber security, implementing a cyber security model following the indications of the National Cybersecurity and Data Protection Framework (FNCS).

The “Information Security and Data Management” programme, launched in 2022 and lasting three years, continues in 2024 with the following projects:
- Identity Management & Access Governance: development of an Identity & Access Governance (IAG) platform assuring periodic controls of accounts, user profiles and the identification of breaches;
- Data Governance: development of governance and technological protective measures to ensure the correct management of both structured data (e.g., databases) and non-structured data (e.g., documents) throughout their life cycle (creation, filing, access, use and sharing);
- Encrypted Traffic Protection: identification and implementation of a solution for protecting user access to the internet under any connection conditions and safeguarding the company data assets;
- Network Segmentation: development of the internal protection of the company data centre infrastructure. The objective is to progressively reduce the attack surface to limit the spread of threats or malware within the network. Access controls also need to be strengthened in specific portions of the network, complying with the least privilege principle;
- Privileged Access Management: consolidation and functional development, as well as increased coverage of the privileged access management solution for the centralised monitoring of violations/anomalies, improving reactivity in detection and subsequent remediation.

The Operational Technology Security initiative has been included in the new “Asset Operational Technology and Cybersecurity Requirements Control” programme, launched in 2024, which includes all the activities already envisaged for the 2022 programme and integrates these with those linked to the identification and mitigation of cyber risks for industrial control systems (ICS), defining their governance and operational management.
The ultimate purpose of this programme is to ensure the competitive performance of offshore assets in a market that is increasingly sensitive to resilience to cyber threats.
With a major fleet of vessels operating in offshore drilling and installation activities in the five continents, Saipem must meet the related obligations, in addition to national legislation, including the 2017 International Maritime Organization (IMO) Resolution MSC.428 (98) “Maritime Cyber Risk Management in Safety Management Systems”, which came into force on January 1, 2021, through which it was established that cyber risk assessment must be included in the ISM Code objectives, considering that this risk is one of those that can affect the safety of vessels, personnel and the environment.
A cyber risk assessment process has therefore been developed for vessels which is an integral and complementary part of the Safety Management System on board (SMS).
Maintaining certification to standard ISO/IEC 27001 for "Cyber security event monitoring and incident management" has become a key assessment element considered in the composition of the Dow Jones Sustainability Index.
Through platforms such as BitSight and CyberVadis, market leaders in the Cyber Security Assessment of businesses, Saipem is able to identify its areas for improvement and plan targeted interventions.
Generally, as confirmed also in the ACN Annual Report, an increase is reported in the cyber risk linked to the supply chain, both in terms of operational continuity and reputational impacts; in particular, the GDPR obliges Saipem, in its capacity as controller, to control its own suppliers and notify any data breaches to the Data Protection Authority, in addition to implementing all the countermeasures required to contain the event.
In cooperation with the Procurement Function, a list of minimum cyber security requirements is being implemented in the new vendor management tool; all suppliers must provide digital feedback directly on the platform. A remediation plan must be drafted to manage any deviations from these requirements.

In addititon to the two programmes mentioned above the action plan underway to improve cyber secutiry includes:
- the conclusion of the Business Impact Analysis (BIA) on Business process applications (Supply Chain, Project Execution, Project Acquisition in addition to those under Compliance 262) to identify the most critical systems with a view to Operational Continuity. The scope of this analysis is planned to be extended in 2024;
- cyber risk analysis of the critical applications identified by the BIA (2024);
- launch of phishing campaigns for the employees with a view to raising awareness of the most common cyber threats;
- with the formalisation of the CISO (Chief Information Security Officer), Saipem's Corporate Security Manager continues to liaise operationally with the key institutional references (ACN, DIS, CNAIPIC), and with the CISO Community of Cassa Depositi e Prestiti and the Security officers of the client companies;
- maintenance of ISO 27001 certification for Detection & Response.

The correct operation of the Saipem Security Model is constantly monitored by CCR, who reports to the BoD, and by the company INAU function.
The SECUR function performed internal technical audits on the peripheral corporate security functions, up to project level, to verify compliance with security instructions and guidelines.

DIGITAL AND ICT SERVICES

During the first half of 2024, cost rationalisation and optimisation of investments in Digital and ICT Services continued. This management approach is aimed at ensuring a balanced and sustainable evolutionary roadmap from an economic and financial point of view, but able to support the business. In this global context, the company's effort has been maximised in order to ensure the development and adoption of digital solutions and the maintenance of adequate service levels in the ICT field.

In support of these directional indications, in the first half of 2024:
- the evolutionary guidelines of the digital programme in force since 2021 and its focus on improving the efficiency of work processes have been confirmed;
- Saipem's digital roadmap has been updated taking into account market developments, particularly in generative AI tools, in order to align with them and enable the full integration of the digital needs of staff functions with vertical business needs;
- specific objectives have been confirmed at the corporate level to support the digital transformation process.

With respect to the main initiatives launched, we have:
- confirmed and maintained a constant speed of transformation for all initiatives that relate in an integrated way to the Engineering, Procurement and Construction (EPC Integration) processes, key to our core business;
- continued to develop and industrialise the technological components to support the digital transformation of our assets;
- developed and put into production various digital solutions to support staff functions (e.g. HSE, HCM, RPA, Process Automation & Mining, etc.).

The EPCI Integration development area is dedicated to the centralisation and standardisation of data from "vertical" systems dedicated to individual functions and to the integration of work processes, in the context of EPCI projects.
EPCI integration comprises two complementary main initiatives.
The first is the "EPiC" visualisation and collaboration platform, for which it continues to support the adoption of already industrialised applications, thanks to the activity of information and provision of onboarding, training and user support services; moreover, a particular focus is maintained on the implementation of corrections and new features requested by stakeholders. Updates to the E2E Supply Chain, Vendor Document Management and Advanced Work Package (AWP) applications have been released to business projects, while the development and integration of a Digital Control Tower and the extension of Management of Changes for use with joint venture partners continue.
The second is the development of the "EPC Digital Platform" which aims to standardise and integrate plant engineering and materials management processes with supply chain and construction processes. The core package of this initiative is in the testing phase and will be used on a first pilot project by the end of 2024.
In addition, for the Installation/Offshore Construction phase, the development of the Offshore Vessel Simulator continued, also implemented for the Castorone vessel to support the operations of the Scarborough project, as well as the Vessel Reporting System (VRS) 2.0 and the Pipeline Productivity Tool (PPT) 2.0 – tools for monitoring and analysing offshore productivity – for which the release phase into production is underway.

For the digitisation of our assets, the standardisation programme of ICT infrastructures and Digital architectures, which aims to converge digital and ICT resources towards the same architectural design and the same performance capacity, launched at the beginning of 2023, has been completed. This will allow Saipem to be able to adopt, for its assets, all the digital solutions under development and the new ones, whether they are market standards or developments calibrated ad hoc to the specificities of the operations. It will also make it possible to have a common architectural design for all asset solutions, ensuring greater efficiency and better cost control, both in the development phase and in the adoption and management of service levels.

During the first half of 2024, we improved and continued to implement our IoT and Data Platform, taking into account the vertical solutions already present in our technology portfolio. At the same time, we have launched the digital modernisation plan of our fleet and the planning of future technological solutions, capable of transforming the typical processes of asset management, improving their utilisation through greater use of decisions guided by the data and algorithms implemented (e.g. predictive maintenance, remote assistance, operational dashboards).
The paradigm on which this programme of activities is based is to increase the levels of governance on the data generated by our managed assets, using advanced analytics techniques to support decision-making processes and the recovery of efficiency in the areas of operations (e.g. fuel management) and sustainability (e.g. greenhouse gas - GHG emissions), on which we intend to measure our transition plan towards Net Zero objectives.

The digital platform consists of a cloud component responsible for the centralised collection and processing of all data from our assets, which are equipped with an "Edge Computing" component installed on board in order to optimise computational capacity and data transmission in non-optimal conditions.
To date, this component is installed on board the following assets: Scarabeo 9, Saipem 7000, Castorone, Saipem 10000, FDS, Pioneer, Sea Lion 7, Perro Negro 9, Perro Negro 7, FDS 2, Saipem 12000, Santorini, Scarabeo 8, Saipem Endeavour, Dehe, Castoro X, Castoro XII. An industrialisation programme is underway for the upgrade of some of its sub-components and the connection of the data acquisition module to critical data sources and a process of identification of valuable IoT data and technologies, which allow them to be enriched with relevant information and allow their exposure for use by the business.

In this context, we were able to achieve a greater level of centrality and control of our data, which gave us the opportunity to start a process of defining Saipem's new Data Governance. This path includes, in parallel, a stream of initiatives in the field of Data Culture.
At June 2024, the digital solutions addressing the following areas of application for the Asset Based Services business line are nearing completion:
- Anomaly detection, as the first step of the planned path for the implementation of predictive maintenance;
- Fuel Consumption Monitoring;
- digitalisation of on-board brochures;
- digitalisation of change asset management processes;
- Drilling simulator for rig.

Initiatives have also been launched to assess the use of robotic digital and autonomous mobile platforms on operational construction sites and the use of smart wearables.

Another stream aimed at strengthening safety management on board has been launched and carried out, with the progressive deploy of the electronic work permit to operate (e-permit to work) on our naval assets. It is expected to cover the entire fleet during 2024 and to extend the use to land yards. In this context, by the end of the year, the HOC4All solution will be available on the entire fleet of Saipem marine vessels for the digitised management of the process of detection, sharing and analysis of observations relating to potential hazards or good practices. The solution, which is already available for ground-based sites, personally involves Saipem and non-Saipem colleagues on board our vessels, and contributes to the dissemination of a culture of active safety. A smart camera system for the detection of "unsafe conditions" has begun to be implemented on board the vehicles of the fleet and the yards to facilitate a prompt resolution. Additional telecare and telemedicine solutions have also been tested and proposed, increasing flexibility about the offshore presence.
Other developments have been implemented on the first offshore drilling assets to better monitor daily activities and facilitate the document management system, and new solutions have also been adopted for managing the structural integrity of ships and optimising maintenance interventions.

A process has been started to review the CMMS (centralised maintenance management system) system, currently in use, for a possible replacement.

Valuable technologies and use cases for the use of additive manufacturing in spare part procurement processes are being scouted.

An evaluation of HSE technologies for improving safety on board, such as Smart PPE/PPE, has been launched.

In the Corporate sector, we have launched and, in several cases, completed and are in the process of being adopted, various digital initiatives, including:
- the preparatory activities for the start of the company ERP update project have been carried out;
- the company is conducting an analysis activity to streamline processes on fewer software platforms, with the goal of shrinking the company's application portfolio;
- a programme of initiatives is in progress that focuses on transforming, automating and improving processes;
- in the Project Control area, we are working on improving the data model that supports the scope reporting;
- a project is in progress to implement the accounting sector's management in IAS Local Package and consolidated;
- a series of dashboards for Internal Audit on KCIs relating to the acquisition and execution of Business projects are being developed;
- the Low Value Purchase process has been automated, improved and adopted through the support of a digital platform;
- an activity aimed at digitising the Technical Bid Evaluation process has been launched;
- the process of storing procurement documents related to issued orders has been made automatic; the most recent integrations with platforms for staff functions (e.g. Sustainability, HSE, Vendor Feedback, Insurance, Legal, etc.) are being handled;
- the cloud tool for NLP research on documents, already in use, broadened thanks to the integration with Sharepoint and Opentext D2 database environment;

- there is a new and more improved platform for managing staff that enables the unification of processes, which are currently fragmented on several other applications that are gradually being discontinued. All the processes for managing HR are being moved to this platform;
- the dematerialisation of selected internal authorisation flows continued;
- analysis for the introduction of an emergency management platform has begun;
- the business project's economic planning, control, and progress management tools are being improved;
- a project was initiated to implement a platform that would facilitate the digital transformation of the Due Diligence process;
- a project has been initiated to use artificial intelligence tools to help the end user with questions related to Risk Management processes;
- the analysis of the extension of the CRM platform to additional business lines has begun;
- an activity to unify all the data on the commercial references of the Company on the CRM platform has been launched;
- a digital platform has been implemented to support the processes of the Legal Department;
- the implementation of a platform to support the digitalisation of Maritime Certification and Flags Management activities has been launched;
- we have launched and adopted a digital topics portal and a new chatbot communication channel (Saipup);
- the company portal (intranet) has been updated and improved;
- enterprise architecture's work is evolving to support integrations between different technologies, solutions and data.

Development, testing and adoption of various initiatives are underway in a variety of areas.

Despite the market situation, the continuity of digital transformation initiatives has been maintained and new modes of remote work have been explored and valued.
The progress and technological change that aims to streamline and update the information assets (e.g., applications, platforms, architectures and data infrastructures) persists; this initiative is reaffirmed as a crucial factor for the programme that concentrates on the improvement of data.
In particular, the new container management environments have been brought into production both in the cloud and on-board naval assets (Kubernetes) and the adoption of the low-code methodology has been consolidated. We proceeded further to focus on the opportunities of Machine Learning and DevOps. Thanks to a journey of engagement, co-creation and training on business specific use cases, still in progress, the new generative artificial intelligence technologies, integrated with chatbots and personal productivity assistants (ChatGPT and CoPilot) have been adopted by a pilot group of colleagues (about 3,000 resources).
We have started the project to identify the data sources and set up the environment for their governance. We have acquired the technology to allow data users to self-service their data access and analysis.

Some new initiatives in the field of tools for managing and optimising centralised infrastructures have been started, covering many technical evaluation streams for the proper analysis, configuration, and management of IT systems.

The company is working on a multi-year programme of initiatives to enhance its cyber security level. There are 6 projects that focus on the following areas: managing digital identities, securing Internet browsing even when done outside the company boundaries, protecting OT systems on our ships, segmenting the Saipem communication network, governing and classifying unstructured data, and controlling privileged users.

Governance activities and compliance and security processes were carried out successfully according to schedule.

RISK MANAGEMENT

Saipem implements and maintains an adequate internal control and risk management system, comprising instruments, organisational structures, and procedures designed to safeguard corporate assets and ensure the effectiveness and efficiency of internal processes, reliable financial reporting, as well as compliance with laws and regulations, the Articles of Association and Group procedures. To this end, an Integrated Risk Management model has been adopted and developed over time that constitutes an integral part of the internal control and risk management system. The aim of this model is to obtain an organic and overall vision of the main risks for the Group that may impact strategic and management objectives, ensuring greater consistency of methodologies and supporting tools and a strengthening of sharing and awareness, at all levels, of the fact that an adequate identification, assessment, and risk management may have a positive impact on the achievement of objectives and on the Group’s value.
The structure of the Group's internal control system assigns specific roles to the management bodies, compliance committees, control bodies, group management and all personnel. It is based on the principles contained in the Code of Ethics and the Corporate Governance Code, as well as on applicable legislation, the "CoSO Report" and national and international best practices. Additional information on the internal control and risk management system, including details concerning its architecture, instruments, and design, as well as the roles, responsibilities and duties of its key actors, is contained in the "2023 Corporate Governance and Shareholding Structure Report".
The Integrated Risk Management model identifies, assesses and analyses business risks and their integration with project risks that are identified, updated and managed by the relevant departments, for the purpose of an overall representation of corporate exposure and critical issues detected, contributing to the analysis of the corporate risk profile and, where possible, transferring the risks to the market through insurance processes.
Risk assessment is performed by management through risk assessment sessions, i.e., meetings and workshops coordinated by the "Integrated Risk Management and Compliance" function, held half-yearly. Specifically, it is carried out for the business and staff areas and the significant subsidiaries, identified on the basis of financial and qualitative parameters. The risk assessment is aimed at identifying risk events that could have an impact on Saipem's strategic and operational objectives, taking into account the changes in the business and organisation model and Group procedures, developments in the external environment (specifically, political, economic, social, technological and legal aspects), as well as the industry and competitors. Furthermore, Saipem has developed a process to monitor the Group’s main risks on a quarterly basis through specific monitoring indicators which measure the evolution of risk and related mitigation activities.

Saipem is exposed to strategic, operational, and external risk factors that may be associated both with business activities and the sector in which it operates. The occurrence of such events could have negative effects on the Group’s business and operations and on its financial position, performance, and cash flow. In addition, based on the materiality analysis carried out by the Sustainability function, particular focus is placed on ESG (Environment Social Governance) issues, whose assessment in terms of risk is therefore incorporated into the overall assessments.
For climate-related risks in particular, a quantitative assessment of the size (in financial terms) over the planning is performed, in accordance with the recommendations of the Task Force on Climate Related Financial Disclosure (TCFD). Risks related to climate change, to which Saipem's activities are intrinsically exposed, can be classified into the following categories:
- physical risks, i.e., risks arising from physically observable climatic phenomena (e.g., flooding of plants, production sites and construction sites, damage incurred due to extreme meteorological conditions, as well as worsening weather and sea conditions in the offshore operating areas);
- transition risks, i.e., risks arising from the transition phase that aims to reduce emissions and thus mitigate the effects of climate change. These risks are classified into: (i) technological risks, meaning insufficient effectiveness in the implementation of the most efficient technologies; this has an impact on operating expenses in the execution of projects and on the potential acquisition of projects related to the use of new technologies; (ii) regulatory risks, related to new laws and regulations with which Saipem must readily comply and which may lead to higher operating costs; and (iii) market risks, in terms of reduced availability of bank guarantees necessary for the submission of bids and the execution of projects.

More details can be found in the "Consolidated Non-Financial Statement" section of the "2023 Annual Report".

With regard to the current geopolitical situation, which is characterised by various zones of conflicts, the following is noted:
- in relation to Saipem's projects that involved operations in Russia and/or with Russian clients, there are no remaining activities and the related contractual relations with clients have reached their conclusion and are in the process of formalisation, in full compliance with the EU regulations. The Strategic Plan does not envisage the acquisition of new contracts in Russia;

- in relation to the operations in Israel, Saipem evacuated its personnel following the attacks on October 7, 2023 and later resumed operations, implementing appropriate safety measures for the situation. In relation to the attacks and boarding attempts on commercial ships passing through the Suez Canal, the Company reports that it has offshore operations in the Red Sea, far away from the affected area.

Although the Group's supply chain does not include direct strategic and/or critical suppliers in the regions affected by the conflicts, Saipem's operational activities could be impacted by a potential worsening of the geopolitical scenario. Saipem has developed specific tools to monitor and prevent impacts on the supply chain related to the availability and price volatility of commodities and services, as well as inflation, and to include well-reasoned price adjustments during the estimation phase. However, the scale of the impacts on supplies, both for ongoing projects and future initiatives, will depend on the duration and evolution of the conflicts, which are particularly complex and dynamic given the numerous actors involved.
Accordingly, considering the current macroeconomic environment, influenced by a combination of the geopolitical effects described above, together with inflation and fluctuating interest rates, the revenue and, consequently, the margins generated by the Company, both for lump-sum contracts and drilling services, could vary with respect to the estimated amounts due to: (i) variations in the cost of raw materials (e.g. steel, copper, fuels, etc.) and services (e.g. labour costs, logistics, etc.); (ii) worsening of geopolitical conditions (including wars or civil unrest); (iii) delays in the process of negotiating new contracts and possible cancellation of commercial initiatives relating to future projects, as well as the cancellation or deferral of on-going projects; (iv) delays and difficulties in obtaining recognition of contractual compensation for the cancellation or deferral of these contracts; (v) pressure from clients to renegotiate existing conditions; (vi) delays and difficulties in renewing, before the expiry date and on economically advantageous terms, the existing charter contracts relating to the offshore drilling fleet.
The possible worsening of the overall economic situation, with respect to the estimates, could lead the Group to recognise impairment losses on the assets subject to impairment testing, with significant negative effects on its financial position, performance, and cash flow.

The following are the main risk factors identified, analysed, assessed, and managed by management. In preparing the consolidated financial statements, these risks were evaluated and, where necessary, the possible liability was provided for in an appropriate provision. See the “Notes to the consolidated financial statements” for information on liabilities for risks provided for and the section “Guarantees, commitments and risks - Legal proceedings” in the “Notes to the consolidated financial statements” for the most significant legal proceedings.

List of risks

1. Financial risks
2. Country risks
3. Biological/pandemic risk
4. Risks related to the supply chain
5. Cyber risks
6. Strategic risks and project acquisition risks
7. Project execution risks
8. IT risks
9. Risks associated with legal proceedings (legal, administrative, tax and labour)
10. Risks associated with asset management
11. Risks related to human resources
12. HSE risks
13. Risks associated with client contract management
14. Compliance risks

1. Financial risks

Description and impact

Liquidity risk is constantly monitored because the business in which the Group operates is exposed to the risk of generating cash flows and profit margins that are not consistent and whose timing is not in line (also in relation to possible early debt repayments) with respect to the outgoing cash flows and debt-related costs, resulting in an impact on the economic result if the enterprise has to incur additional costs to meet its commitments or, as an extreme consequence, a situation of insolvency that jeopardises its ability to continue as a going concern.
In addition, the volatility of market conditions and the instability of the macroeconomic-geopolitical scenario could lead to a deterioration of the financial position of clients and partners involved in the execution of projects. The Group is therefore exposed to the credit risk arising from the possibility of default by a trading counterparty, i.e. the risk of delayed and/or non-payment and having to meet part or all of the financial obligations of its partners.
These dynamics could have significant negative effects on the cash flows; they could cause the deterioration of net working capital and the economic-financial situation, and lead to a worsening of the reputation in the industry of reference and in the financial markets.
Lastly, the Group is exposed to risks linked to the availability of bank guarantees necessary for the submission of bids and the execution of projects, which may involve both the Group and its partners in the implementation of projects.

Mitigation

The management, control and reporting of financial risks is governed by the Financial Risk Policy, issued at corporate level with the aim of standardising and coordinating the Group's policies. Specifically, financial risks are controlled through the periodic calculation of several Key Risk Indicators (KRI) which are subject to specific attention thresholds periodically updated according to the evolution of the Group's business. The control activities established by the Financial Risk Policy also include escalation procedure to be followed if the risk thresholds set by the KRIs are exceeded.
The Group, right from the negotiation phase, defines the contractual terms and conditions with clients that protect it in terms of financial exposure (e.g., advanced payments, negotiation of performance bonds) and monitors its contracts (e.g., through stringent procedures for obtaining the necessary certifications necessary to proceed with invoicing, or through constant verification and reporting to the client of all contractual or executive variations of the project) in order to ensure positive or neutral cash flows during project execution; in addition, changes in net working capital are constantly monitored with the continuous involvement of the top management.
The management also continuously monitors the evolution of the financial markets and develops partnerships with financial and insurance institutions, also a local level, in order to mitigate risks and expand the sources of guarantees.
The main financial risks identified, monitored and actively managed by the Saipem Group are further detailed in the following sections.

(i) Market risk

Market risk is the possibility that changes in exchange rates, interest rates or commodity prices will adversely affect the value of the Group's financial assets, liabilities or expected future cash flows. Market risk is governed by the Financial Risk Policy and the operating procedures, which are based on a centralised model for managing financial activities.

Market risk - Exchange rates

The exposure to exchange rate variations derives from the fact that the Saipem Group's operations are conducted in currencies other than the euro and that revenue and/or costs from a significant portion of projects executed are potentially denominated and settled in non-euro currencies. This has impacts on:
- the profit or loss of the Group companies due to the different counter value of costs and revenues, denominated in a foreign currency, at the time of their recognition compared to the time when the price conditions were defined and as a result of the conversion and subsequent revaluation of trade or financial receivables/payables denominated in foreign currencies;
- the consolidated financial statements (profit or loss and equity) due to the conversion of the operating income and assets and liabilities of the investee companies that prepare their financial statements in currencies other than the euro.

The risk management objective of the Saipem Group is the minimisation of the impact deriving from fluctuations in exchange rates on the Group companies' profit or loss for the year.
The impacts of exchange rate fluctuations on the Group's profit and loss resulting from the consolidation of the operating results of companies that prepare their financial statements in a currency different from the Group's functional currency are monitored. The exchange rate risk arising from the conversion of assets and liabilities of investee companies that prepare their financial statements in a currency different from the Group's functional currency is managed, at consolidated level, only with the designation of long-term operating monetary items in net investment hedges.
The Group adopts a strategy to minimise the exposure to foreign exchange risk through the use of derivative contracts. Hedging transactions may also be entered into in relation to future underlying contractual commitments, provided they are highly probable (so-called highly probable forecast transactions). To this end, different types of derivatives (outright and swaps in particular) are used. Such derivatives are measured at their fair value on the basis of standard market evaluation algorithms and market prices/contributions provided by primary info-providers. Planning, coordination and management of this activity at Group level is the responsibility of the Saipem Finance Department, which closely monitors the correlation between derivatives and their underlying flows, as well as ensuring their correct accounting representation in compliance with IFRS accounting standards.
The measurement and control activities of the exchange rate risk are performed by calculating a series of periodically monitored KRIs. Specifically, KRIs on exchange rate risk are defined as the minimum thresholds to hedge future contractual cash flows in foreign currency and the maximum thresholds of related potential losses measured with Value at Risk (VaR) models.
An exchange rate sensitivity analysis was performed for those currencies other than the euro which may potentially impact exchange risk exposure in order to calculate the effect on the income statement and equity of hypothetical positive and negative variations of 10% in the exchange rates of the above-mentioned foreign currencies against the euro.
The sensitivity analysis was conducted in relation to the following financial assets and liabilities denominated in currencies other than the euro:
- exchange rate derivatives;
- trade receivables and other assets;

- loan assets;
- trade and other payables;
- cash and cash equivalents;
- current and non-current financial liabilities;
- lease liabilities.

For derivative instruments on exchange rates, the sensitivity analysis on the relative fair value is carried out by comparing the term counter-value fixed in the contracts with the counter-value determined at spot exchange rates, allowing for a 10% positive or negative variation, and adjusted using interest rate curves consistent with the expiration dates of contracts on the basis of market prices as of June 30, 2024.
In light of the above, although the Group adopts a strategy targeted at minimising exchange risk exposure through the use of several types of derivatives (outright and swaps), it cannot be excluded that exchange rate fluctuations may significantly influence the Group's results and the comparability of results of individual periods.
A depreciation of the euro compared to other currencies would have produced an overall effect on pre-tax profit of €43 million (€68 million as of December 31, 2023) and an overall effect on equity, before related tax effect, of -€242 million (-€179 million as of December 31, 2023).
An appreciation of the euro compared to other currencies would have produced an overall effect on pre-tax profit of -€42 million (-€68 million as of December 31, 2023) and an effect on equity, before related tax effects, of €243 million (€180 million as of December 31, 2023).
The increase (decrease) with respect to the previous year is essentially due to variations in the exposed financial assets and liabilities.

Market risk - Interest rate

Interest rate fluctuations influence the market value of the group's financial assets and liabilities and the level of net financial expenses. The objective of risk management is to minimise the interest rate risk when pursuing financial structure objectives defined in the Financial Risk Policy.
When stipulating variable rate financing, the Group's Finance Department assesses if the set objectives are met and, where appropriate, enters into Interest Rate Swap (IRS) transactions in order to manage fluctuations in interest rates. In addition, the Group's Finance Department, if applicable and based on adequate internal assessments, negotiates derivative contracts to fix the interest rate differential and stabilise the impact of the cost of the currency hedging put in place by the Group.
Planning, coordination and management of this activity at Group level is the responsibility of the Saipem Finance Department, which closely monitors the correlation between derivatives and their underlying flows, as well as ensuring their correct accounting representation in compliance with IFRS accounting standards. Although Saipem adopts a strategy targeted at minimising its exposure to interest rate risk through the pursuit of defined financial structure objectives, it is not to be excluded that interest rate fluctuations could significantly influence the Group's results and the comparability of the results of individual periods.
As for the fair value assessment of interest rate derivative instruments that may be implemented in relation to the aforementioned transactions it is measured by the Finance Department at fair value on the basis of market standard evaluation algorithms and market prices/contributions provided by primary public info providers.
The Group measures and controls the interest rate risk by calculating and monitoring a KRI that measures the impact of a fixed-rate debt, including any related derivative financial instrument, on total debt.
To measure the impact of interest rate risk a sensitivity analysis was performed. The analysis calculated the effect on the income statement and equity which would result from a positive and negative 100 basis point movement on interest rate levels.
The analysis was performed relating to all relevant financial assets and liabilities exposed to interest rate fluctuations and regarded in particular the following items:

- interest rate derivatives;
- cash and cash equivalents;
- current and non-current financial liabilities.

For derivative financial instruments on interest rates, the sensitivity analysis on fair value was conducted by discounting the contractually expected cash flows with the interest rate curves recorded on the basis of the market rates as of June 30, 2024, with variations in excess of and less than 100 basis points. With reference to cash and cash equivalents and to variable rate financial liabilities, reference was made respectively to the stock as of June 30, 2024 and to changes in exposure expected in the following 12 months. On this basis, a movement of interest rates has been applied in excess of and less than 100 basis points on interest rates.
A positive variation in interest rates would have produced an overall effect on pre-tax profit of €7 million (€1 million as of December 31, 2023) and an overall effect on equity, before related tax effects, of €7 million (€1 million as of December 31, 2023). A negative variation in interest rates would have produced an overall effect on pre-tax profit of -€7 million (-€1 million as of December 31, 2023) and an overall effect on equity, before related tax effects, of -€7 million (-€1 million as of December 31, 2023).
The increase (decrease) with respect to the end of the previous year is essentially due to variations in the financial assets and liabilities exposed to interest rate fluctuations.

Market risk - Commodity

The Group's results are affected by changes in the prices of oil products (fuel oil, lubricants, bunker oil, etc.) and raw materials (copper, steel, etc.), since they represent associated costs in the running of vessels, bases and yards and the implementation of projects and capital expenditures.
In order to reduce its commodity risk, in addition to adopting solutions at a commercial level, the Group also trades derivatives (swaps and bullet swaps) in particular on the organised ICE, NYMEX and LME markets where the relevant physical commodity market is closely correlated to the financial market and the price is efficient.
Regarding commodity price risk management, derivative instruments on commodities were negotiated by the Group to hedge underlying contractual commitments. Hedging transactions may also be entered into in relation to future underlying contractual commitments, provided these are highly probable (so-called highly probable forecast transactions). Despite the hedging instruments adopted to control and manage commodity risks, the Group cannot guarantee that they will be either efficient or adequate or that in future it will still be able to use such instruments.
Commodity derivatives are measured at their fair value by the Finance Department of Saipem on the basis of market standard evaluation algorithms and market prices/contributions provided by primary info providers.
The Group measures and controls the interest rate risk by calculating and monitoring a KRI that quantifies the maximum potential loss measured using VaR models.
Regarding commodity risk hedging instruments, a hypothetical 10% positive variation in the underlying rates would produce no effect on pre-tax profit, while it would produce an effect on equity, before related tax effects, of €2 million. A hypothetical 10% negative variation in the underlying rates would produce no effect on pre-tax profit, while it would produce an effect on equity, before related tax effects, of -€2 million.

(ii) Credit risk

Credit risk represents the Group's exposure to potential losses deriving from a counterparty's failure to meet its obligations. Regarding the counterparty risk in commercial contracts, the management of credit risk is entrusted to the responsibility of the business lines and to the dedicated specialised corporate functions, on the basis of standard business partner evaluation and credit worthiness procedures. For counterparty financial risk deriving from the investment of liquidity, from positions in derivative contracts and from other transactions with financial counterparties, Group companies adopt the provisions defined in the Financial Risk Policy. In spite of the measures implemented by the Group aimed at avoiding concentrations of risk and/or assets, the possibility cannot be ruled out that a part of the Group's clients may be late in making, or fail to make, payments within the terms and conditions established. Any delay or default in payment by the main clients may imply difficulties in the execution and/or completion of projects, or the need to recover costs and expenses through legal actions.
The recoverability of financial assets with counterparties of a trade and financial nature has been assessed on the basis of the "expected credit loss model", details of which provided the paragraph "Impairment of financial assets" in the section "Accounting policies" of the 2023 Annual Report.
The Group measures and controls the credit risk of commercial counterparties by periodically calculating the KRIs aimed at measuring the Probability of Default ("PD") of trade credit exposures, backlogs and guarantees granted. The effect of those operations is described in the following Notes 8 "Trade receivables and other assets" and 10 "Contract assets". Credit risk towards financial counterparties is instead monitored and controlled through the periodic calculation of KRIs aimed at measuring exposure, maximum lending duration and the breakdown of financial assets by rating class.

(iii) Liquidity risk

Liquidity risk represents the risk that, due to the inability to raise new funds ("funding liquidity risk") or to liquidate assets on the market ("asset liquidity risk"), the Group will be unable to meet its payment commitments. resulting in an impact on the economic result if the company is forced to incur additional costs to meet its commitments or, as an extreme consequence, a situation of insolvency that jeopardises the company's ability to continue as a going concern. The objective of the Group's risk management is to implement a financial structure which, consistent with the business objectives and the limits defined in the Financial Risk Policy, ensures an adequate level of liquidity and of committed credit lines for the Group.
The aim of this objective is to guarantee sufficient financial resources to cover short-term commitments and maturing obligations, including through refinancing transactions or early funding, as well as to ensure the availability of an adequate level of financial flexibility for the Group's development programmes, pursuing the maintenance of a balance in terms of duration and composition of debt.
Liquidity risk is measured and controlled by continuously monitoring estimated cash flows, the maturity profile of financial liabilities and the parameters characterising the main bank financing contracts (so-called Financial Covenants), and by periodically calculating specific KRIs. These indicators measure the level of available cash expected in the short term, the level of maturity concentration of financial liabilities and derivatives, and the ratios between financial sources and uses expected in the short and medium term.

With regard to the financing agreements that require the compliance with financial covenants and other clauses which include limitations to the utilisation of financial resources, it should be noted that as of June 30, 2024 the aforementioned clauses have all been respected.
For the control and efficient use of its liquidity, the Group employs, among other things, a central cash pooling system and automatic reporting tools.
In line with the objective of ensuring an adequate financial structure and the provisions of the Financial Risk Policy, the Group adopts strategies for the proactive management of maturing debt through refinancing operations or advance fundraising. As part of these strategies, in May 2024, the subsidiary Saipem Finance International BV issued a new bond for an amount of €500 million, maturing in May 2030. The proceeds from the issuance were used for general corporate purposes, including the financing of the repurchase offers initiated on May 21, 2024, for two bonds issued by Saipem Finance International BV, maturing in 2025 and 2026, totaling €363 million (€104 million for the bond maturing in 2025 and €259 million for the bond maturing in 2026). The issuance was carried out under the Euro Medium Term Note Programme for non-convertible bonds, established in May 2024, for a maximum amount of €3,000 million. This programme is renewed on an annual basis according to the planned operations.
Additionally, on March 28, 2024 Saipem repaid the remaining €237 million of the Term Loan Senior Unsecured, 70% guaranteed by SACE under the "Garanzia SupportItalia" instrument. This loan was initially signed in February 2023 and partially repaid in December 2023 for €150 million, in advance of the contractually agreed maturities.
As of June 30, 2024, the Group has structured its financing sources mainly on medium-long-term maturities with an average tenor of 3.7 years; the portion of medium-long-term debt maturing in the following 12 months amounts to €359 million, of which €48 million during the second half of 2024 and the rest during the first half of 2025.
The maturities for the four ordinary bonds issued by the subsidiary Saipem Finance International BV are due in 2025 (for a residual amount of €275 million), 2026 (for a residual amount of €241 million), and 2028 and 2030 (each amounting €500 million), while the maturity of the €500 million convertible bond issued by Saipem SpA is set for 2029.
Based on the above mentioned financial operations, the maturity plan of medium-long-term debt and the amount of available cash as of June 30, 2024, amounting to €1,265 million, and the availability of unused committed credit lines amounting to €473 million, the Group believes that it has access to more than adequate sources of funding to meet its current and future financial needs.

(iv) Downgrading risk

The Parent Company Saipem and the bonds issued by its subsidiary Saipem Finance International BV are rated by the rating agencies Moody's and Standard & Poor's. On April 15, 2024, Saipem received an upgrade from Moody’s on its long-term corporate family rating and senior unsecured debt rating from "Ba3," previously assigned on July 19, 2022, to "Ba2" with "positive" outlook. On December 29, 2023, Standard & Poor’s Global Ratings confirmed its long-term issuer credit rating of “BB+” with “stable” outlook, together with an unsecured senior rating of “BB+” for the bonds, previously assigned on December 2, 2022. The ratings of the bonds issued by Saipem Finance International BV, despite having improved from the previous ratings assigned, fall within the ”non-investment grade” category, characterised by a higher risk profile and which also includes debt securities particularly exposed to adverse economic, financial and industry conditions. Any deterioration of Saipem's rating and/or of the bonds issued by Saipem Finance International BV, which could be caused by a deterioration of the reference markets, of the profitability of the contracts or of Saipem's liquidity, could result in a higher funding cost as well as more difficult access to the capital market, with consequent negative effects on the activities, prospects and economic and financial condition of Saipem and the Group.

Future payments for financial liabilities, trade payables and other liabilities

The following table shows the amounts of payments contractually due to financial and lease liabilities, with separate disclosure of principal and interest, and liabilities for derivative financial instruments.

	Maturity						
(€ million)	2025 (*)	2026	2027	2028	2029	After	Total
Non-current financial liabilities	412	302	15	500	500	500	2,229
Current financial liabilities	66	-	-	-	-	-	66
Lease liabilities	588	171	100	51	25	172	1,107
Fair value of derivative instruments	3	7	5	2	-	-	17
Total	**1,069**	**480**	**120**	**553**	**525**	**672**	**3,419**
Interest on financial liabilities	93	65	55	54	39	24	330
Interest on lease liabilities	73	27	19	15	13	57	204

(*) Including the second half of 2024.

The following table shows the due dates of trade payables and other liabilities.

	Maturity			
(€ million)	2025 (*)	2026-2029	After	Total
Trade payables	3,168	-	-	3,168
Other liabilities	302	-	-	302

(*) Including the second half of 2024.

Future payments for outstanding contractual obligations

Investment commitments for projects for which procurement contracts have already been placed, expiring in 2025 (including values relating to the second half of 2024), amount to €63 million.

2. Country risks

Description and impact

Saipem carries out a significant part of its activities in the Middle East, Sub-Saharan Africa and Latin America, regions characterised by a low degree of stability from the political, social and economic point of view. Developments in the political framework, economic crises, internal social unrest and conflicts with other countries or an increase in the risk of terrorist attacks could expose the Group and its human and material assets to potential damage, as well as temporarily or permanently impair its ability to operate under economically advantageous conditions and require specific organisational and management measures to ensure, where possible in compliance with Company policies, the continuation of the activities under way in conditions different from those originally planned. These continuity plans could lead to cost overruns and delays and, consequently, to a negative impact on the margins of projects carried out in these critical countries.
Russia's invasion of Ukraine, followed by the conflict in the Middle East, has also resulted in uncertainties, strains and problems in the supply chains and energy policies of Western countries. Although the developments and future impacts are uncertain and difficult to evaluate, the intensifying of hostilities, geopolitical tensions and commercial war, including the imposition of increasing international economic sanctions, are inevitably causing negative repercussions on the global, international and Italian economies, on the performance of financial markets, and on the Company's sector of activity. A rapid and unforeseen worsening of risk scenarios, both onshore and offshore, could have an impact on operations and disrupt the supply chain, adversely affecting the Group's business continuity.
Other risks related to the activities in these areas of operations consist of: (i) lack of stable legislation and uncertainty on the protection of the rights of the foreign company in case of breach of contract by private entities or State entities, including risk of expropriation and nationalisation; (ii) detrimental development or application of laws, regulations, unilateral contractual changes that result in the impairment of assets, forced divestments and expropriations; (iii) various restrictions on construction, drilling, import and export activities; (iv) increases in applicable taxation; (v) internal social conflicts that may lead to acts of sabotage, attacks, violence and similar situations; (vi) acts of terrorism, vandalism or piracy; (vii) lack of or limited insurance cover for country risk, war risk and terrorist attacks (with particular reference to onshore operations), in an insurance market undergoing a 'hard market' phase.
Saipem uses agencies that provide security services in the countries where it operates and even though it carefully selects suppliers and conducts regular training and oversight activities, these agencies may still expose the Group to risks related to the violation of human rights in the performance of security services assigned to them.

Mitigation

Saipem is committed to constantly and closely monitoring political, social, and economic developments, terrorist threats arising in the countries where it operates or intends to invest, both through specialised internal resources and through providers of security services and information analyses. Specifically, the situation in the Israeli-Palestinian conflict was monitored during the year, along with developments on other active fronts (Russia/Ukraine, China/Taiwan) and the political, social and economic conditions in countries of interest (Mozambique, Nigeria, Venezuela/Guyana, Libya, etc.).
Saipem assesses the exposure to these risks through a comprehensive security model inspired by the criteria of prevention, precaution, protection, information, promotion and participation, with the aim of reducing the risk deriving from the actions of individuals or legal entities, which could expose the company and its assets (human, material and reputational) to potential damage. For each country where Saipem operates, specific monitoring is carried out to analyse the situation from both a security and socio-economic perspective, in coordination with the Crisis Unit of the Italian Ministry of Foreign Affairs, in order to verify the suitability of the Security Model adopted, also in relation to supply chain issues.
In cases where the ability to operate in the country is temporarily hindered by the onset of political-social instability, the potential demobilisation of the site is considered in order to protect personnel and company assets.

After favourable conditions have been restored, the resumption of normal activities is planned, seeking to minimise operational disruption and always ensuring maximum safety conditions.
Saipem constantly monitors the changes in and compliance with various types of regulations also in order to minimise the impacts due to its operating activities in all countries of interest. Moreover, for adequate corporate risk management, Saipem has adopted the principles and guidelines provided by the international standard ISO 31000 as a reference.
The Group conducts regular audits of agencies providing security services and organises specific training activities in order to avoid and prevent human rights violations. Moreover, to reduce the risks arising from interactions with parties that operate in the same areas, Saipem adopts a system of engagement with its local stakeholders, with the goal of maintaining dialogue, consolidating relationships, and creating shared value, especially through active participation in the socio-economic development of the areas in which its project activities are carried out. Saipem pays utmost attention to industrial relations in the countries in which it operates, strengthening communication with staff and trade unions and reaching/renewing specific agreements with the social partners involved.
With regard to international sanctions, Saipem continuously monitors the potential impacts arising from the restrictive measures adopted by the European Union and/or non-European entities, both against Russia and other sanctioned countries, including: (i) sanctions in the financial sector, aimed at limiting access to major capital markets; (ii) sanctions in the energy sector, which prohibit the sale, supply, transfer, or export, directly or indirectly, of essential goods and technologies used in the energy sector; and (iii) sanctions in the technology sector, which impose restrictions on the export of dual-use goods and technologies (civilian/military), as well as restrictions on the export of certain goods and technologies capable of contributing to the technological enhancement of the defence and security sector.

3. Biological/pandemic risk

Description and impact

The Group operates in countries where there are biological agents that could potentially harm the health of exposed individuals. The situation is extremely varied and changing over time: in many of the countries where Saipem operates or intends to operate there have been more or less extensive epidemic outbreaks of diseases already present in the area, as well as imported diseases. Personnel are therefore potentially exposed to infectious diseases when carrying out their activities.
In recent years, the epidemiological scenario has been further complicated by the spread of the COVID-19 pandemic. During 2023, the global situation showed a decline both in terms of cases in general and cases with severe symptoms, and the end of the state of emergency allowed a return to infection management that did not require the use of extraordinary measures. However, the continued circulation of the SARS-COV 2 virus increases the likelihood of mutations, making the virus a public health threat as defined by the World Health Organization.
Outbreaks of infectious diseases, including those linked to climate change and the increasing encroachment of natural habitats by humans, could pose a significant risk both in terms of impacts on staff health and possible indirect impacts on the Group's financial results and assets: interruptions, slowdowns and cost increases in project execution and postponement of investment decisions in the affected sectors, disruptions in the supply chain, delay in client payments, increased risk of litigation (e.g. related to commercial contracts, labour and insurance matters) and complexity of resource turnover due to quarantines and travel restrictions.

Mitigation

Through epidemiological analysis on open sources and data collection on the ground, Saipem is committed to constantly and punctually monitor the occurrence and evolution of all infectious diseases in the countries of interest and to implement timely measures to prevent and respond to outbreaks.
The company runs numerous awareness-raising campaigns among its staff in order to increase risk awareness and knowledge of the most effective prevention measures. Regular hygiene and health inspections are carried out at the operating sites and personal protective equipment and vaccine and chemoprophylaxis measures are made available to the workforce. Control programmes of vector-borne disease are in place at all risk sites. Occupational medicine protocols and the travel medicine service are an effective system for protecting the health of workers, and medical evacuation contracts are a guarantee for the safe evacuation of infected patients.

4. Risks related to the supply chain

Description and impact

Saipem is exposed to the risk associated with commodity price volatility – i.e., changes in the cost of raw materials such as steel, nickel, copper, fuel, etc. – but also of goods and services used in the execution of projects. The supply dynamic is characterised by a strong tension on the commodity market, mainly due to an imbalance in the relationship between supply and demand and a strong inflationary drive, compounded by speculative and arbitrage actions in the markets. Materials and goods purchased by the Group require transport and warehousing services in order to reach the operating sites and they too may be subject to delays, limitations on availability and/or price increases, especially in times of high demand and in the case of sudden interruptions of the supply

chain. Moreover, orders to suppliers during project execution may be revised due to changes in the scope of work, date of completion and delivery (delays and/or accelerations), and unforeseen updates to local regulations, resulting in change orders and claims to Saipem.
The Group may not be able to pass on or share the price increases caused by the aforementioned dynamics with its clients.
Recovery in post-pandemic markets, together with the uncertainty generated by the current geopolitical situation, has also resulted in the congestion of some productive sectors; suppliers are finding it difficult to respond to requests in terms of raw material availability, production capacity and delivery times and, in some cases, have become more selective with regard to the initiatives to be pursued as they are unable to enter into contractual commitments with long-term valid quotations. Saipem could therefore run the risk of being unable to source from supply chain operators the materials, goods and services needed to execute the projects and negotiate prices, commercial terms, and delivery times compatible with the needs of the projects.
Finally, Saipem works with a large number of suppliers and subcontractors, spread across different geographies and with different levels of experience, in some cases selected to meet local content requirements by clients. Their performance may in some cases be inadequate with respect to project requirements, resulting in additional costs related to the need to implement plans to meet the client's expectations and possibly causing delays in project implementation and delivery.
Therefore, these supply chain risks could lead to longer times and higher costs, a deterioration of business relations with clients and changes in the financial results, with a negative impact on Saipem's performance.

Mitigation

In order to prevent and mitigate the risks of unavailability and price variability of goods, materials and services, Saipem monitors the impacts on individual projects, in terms of continuity, prices and timing of supplies and suppliers' production capacity, establishing an ongoing dialogue with them. When the conditions are right, the Group defines project-based commercial agreements with suppliers (e.g. pre-agreements, strategic agreements to ensure production spaces already in the offer phase, etc.) to ensure execution on time and on budget or, alternatively, it agrees with suppliers on price change formulas that can then be accepted in full or in part by its clients. Additionally, already in the quotation phase, Saipem uses specific tools to monitor and mitigate supply chain impacts related to commodity availability and price volatility, services, and inflation, including reasoned price adjustment formulas.
Lastly, the Company has implemented a structured qualification and selection system geared towards working with reliable suppliers and subcontractors with an established reputation. The performance of suppliers and subcontractors is also constantly monitored and subject to feedback at all stages of the contractual relationship, in order to pursue continuous improvement of the procurement process and project execution through updated Bidder Vendor Lists.

5. Cyber risks

Description and impact

In its activities in its offices, at operational sites, and on its vessels, Saipem uses a large number of IT tools of various kinds. Due to a general increase in digitisation processes, the use of private networks in remote work introduced to contain the COVID-19 pandemic, the constant rise in cyber threats and the increasing availability of attack tools using artificial intelligence (AI), the Group's IT systems are increasingly exposed to potential cyber attacks. These cyber attacks could jeopardise business continuity and damage Information Technology (IT) and Operational Technology (OT) systems, as well as result in the loss and/or theft of data and information (including confidential information), causing major effects on business processes and financial, operational, and reputational impacts, particularly on clients. The misuse of AI systems by malicious actors could amplify the adverse effects related, for example, to cyber attacks via malware and phishing. The supply chain is a particular target, with its vulnerabilities exploited to penetrate the defensive measures employed by the companies.
Additionally, following the increase in the global cyber threat, the Group has experienced, right from the commercial stage, increasing demands from clients for specific cyber security requirements, the availability of which could therefore affect Saipem's competitiveness level. These requirements also apply to any suppliers and subcontractors involved in operational activities. A delay in the compliance with the stringent cyber security requirements demanded by clients and/or authorities (such as the National Cyber Security Agency) could result in the loss of future business opportunities and potential interruptions of projects and activities in the execution phase.

Mitigation

Saipem has set up and implemented governance, response, and monitoring measures for cyber threats, together with compliance processes, carried out using specialist internal and external personnel and advanced IT security technologies. It has developed a cyber security model and adopts procedures and protocols based on industry best practices and integrated international standards in order to meet its clients' security requirements (see the specific section "Digital and ICT Services" for more details). Saipem has also implemented a series of actions aimed at strengthening threat detection and cyber incident response activities by adopting a platform capable of providing an external and independent assessment of the Group's cyber security maturity level. To mitigate the

vulnerabilities associated with the supply chain, a supplier assessment model is being adopted based on specific cyber security requirements.
Saipem is ensuring a constant assessment of cyber risk both for Information Technology (IT) and Operational Technology (OT) and considers the human factor to be one of the main risk factors for an IT system. For this purpose, it has developed and implemented a cyber awareness plan aimed at increasing the employees' level of preparedness and awareness. In addition, Saipem considers continuous collaboration with key public and private stakeholders to be of paramount importance.
During 2021, the Group obtained the ISO/IEC 27001 certification, for "Cyber security events monitoring and incidents management". This important goal confirms the validity of the model adopted for Cyber Detection & Response activities, which makes it possible to proceed in a structured manner in the ongoing improvement of the Company's security system. In addition, in compliance with IMO Resolution MSC.428 (98), Saipem introduced a cyber risk assessment model on board the fleet's vessels, as an integral part of the safety management system, appointing a Cyber Security Officer for each unit. Cyber attack drills were also performed on board the vessels, according to scenarios and models which are an integral part of Saipem SpA's emergency and crisis management system.
With regard to issues related to Artificial Intelligence (AI), a multidisciplinary working group has been established to: (i) monitor regulatory developments at European and Italian level (e.g. the AI Act being prepared by the European institutions); (ii) govern the adoption of these technologies in the European market; and (iii) analyse the emerging risks and assess the potential impacts of implementing these tools/projects within the Group.
Lastly, several audits were carried out with Internal Audit, on the entire Cyber Security process, as well as on the infrastructure and the cloud, with assessments carried out by Microsoft, in continuity with others done in the past by clients to ascertain compliance with contractual cyber security requirements.

6. Strategic risks and project acquisition risks

Description and impact

In defining its strategic guidelines, Saipem assesses macroeconomic, geopolitical, and industrial scenarios, their technological developments, trends in demand in the relevant sectors, also in the light of the requests it receives from its clients, and the evolution of the competitive framework within the reference market. The reference market is also defined by the various mergers and acquisitions, the creation of joint ventures and alliances on a local or international level, of a strategic or commercial nature, and the continuous development and commercialisation of patents and licences by competitors for innovative solutions (frequent, for example, in the area of energy transition and decarbonisation). Therefore, Saipem is exposed to various kinds of risks, linked to its strategic positioning (in relation to competitive positioning vs. market trend), both in conventional services in the energy sector, particularly Oil&Gas, and Infrastructure, and in services related to the energy transition, whose weight is less significant in the short term, but whose trend shows an increasing weight in the medium and long term.
As regards the current market context, the overall demand for services is visibly influenced by factors deriving both from ongoing conflicts, which could generate more unpredictable fluctuations in energy demand and supply volumes, and, consequently, in oil and natural gas prices, and from pre-existing dynamics, including: (i) the global energy supply/demand balance; (ii) OPEC's ability and willingness to establish and maintain certain oil extraction levels, and the production forecast of OPEC countries; (iii) the possible return of exports from Iran; (iv) the overall context of the raw material market, that may impact the general economy and oil and gas demand; (v) market volatility, as well as environmental policies and legislation; and (vi) the growing tendency to choose alternative and renewable energy sources.
The above-mentioned dynamics may influence the investment policies of Saipem's main clients, exposing it to: (i) delays in the negotiation process and possible non award of commercial initiatives relating to future projects; (ii) cancellation and suspension of projects already under way (whether EPCI Lump Sum or Drilling and value-added engineering services contracts); (iii) delays and difficulties in obtaining payment of contractual penalties provided for to indemnify the Company against the cancellation and suspension of such contracts; (iv) strengthening of the level of aggression in commercial strategies by competitors; (v) delays and difficulties in obtaining change orders for the scope of work requested by the client and executed by Saipem; (vi) delays and difficulties by the clients in renewing contracts for the offshore drilling fleet prior to the expiry thereof and under economically advantageous terms and conditions; (vii) claims and arbitration and international disputes in the most significant cases. Inadequate forecasts of the evolution of these scenarios, as well as the incorrect or delayed implementation of the identified strategies, may expose the Company to the risk of not being able to implement its Strategic Plan, both in terms of the volume of new acquisitions and related margins, and in terms of revenue and margins of the existing portfolio.
Lastly, the current scenarios in the field of energy transition involve a gradual shift towards greater use of renewable energy sources, with a lower climate-altering impact. The achievement of these objectives is mainly based on the development and use of a range of new technologies in areas such as renewable energy, the decarbonisation of various industrial sectors (e.g., agriculture, steel and cement production, transport), energy efficiency and the circular economy. Saipem believes that the use of these innovative solutions in building new energy infrastructures and reducing carbon emissions is expected to create a significant market that is of particular interest.

The ability to compete in the new energy transition markets will depend on the achievement of adequate competitive positioning, which can be developed through a number of key factors: (i) creation of new commercial relationships with companies in the field of renewable energy sources and clean technology; (ii) ability to manage new types of projects and clients, different from the traditional ones; (iii) meeting a specific track record in the new markets; and (iv) development of a targeted technology portfolio.
Should the Company be unable to adequately update the technology and assets at its disposal with the aim of aligning the offer of its services with the needs of the market, it may have to modify or reduce its strategic objectives, with a subsequent negative effect on its activities, prospects, and financial position, performance, and cash flow.

Mitigation
To monitor the trend of demand, Saipem makes use of a capillary organisational structure to cover the areas of interest, and of companies specialised in providing periodic analyses and estimates on relevant market segment trends and on macroeconomic, geopolitical, and technological developments. Furthermore, the Company created the Sustainability, Scenarios and Governance Committee, which is responsible for assisting the Board of Directors in its review and development of scenarios in order to prepare strategies, based on the analysis of the relevant issues for long-term value generation and the corporate governance of the Company and the Group.
To ensure a strengthening of its competitive positioning, the Group is constantly striving to create valuable relations with its clients and guide them through the developments of the global energy scenario, while respecting the values and professional ethics of Saipem. The organisational structure achieves this objective through distinct business lines: (i) "asset-based services" (to exploit the recovery in the Offshore E&C market); (ii) "drilling" (to ensure the commercial development of the Drilling business); (iii) "offshore wind" (for offshore wind plants); (iv) "energy carriers" (for the low-carbon design or reconversion of complex plants); (v) "sustainable infrastructures" (for growth in a sector that has become strategic in the new ecosystem of the energy transition and sustainable mobility); and (vi) "robotics & industrialized solutions" (for the development of modular, repeatable, scalable plants and monitoring and maintenance services based on digital technologies). The strategy defined for the four-year period is characterised by the presence of a dual approach. On the one hand, it targets traditional sectors where the Company has a stronger competitive positioning (construction and offshore drilling), while on the other it has a medium and long-term objective to expand the portfolio of clients and geographic markets to serve and to grow in higher technology sectors linked to the energy transition and defence, such as: (i) facilities for renewable sources (in particular, wind, solar); (ii) carbon capture projects; (iii) production of green hydrogen and its derivatives (e.g. green ammonia, methanol); (iv) plastics recycling; (v) construction of high-speed railway lines; (vi) subsea robotics; and (vii) high value engineering services in the energy industry in general (including renewable energy).
Management also pursues various business opportunities from a global perspective in the target markets, adopting a strategy of diversification among the different clients in the sector (International Oil Company, National Oil Company, Independent, and Utility).
The Company is constantly engaged in the research and development of technologies aimed at increasing energy efficiency in operations and energy decarbonisation, continuing its exploration of new technological frontiers (see the specific section "Research and development" for more details).
Saipem is supported by companies specialised in analysing technological developments in its target market segments and future solutions that may be requested by its clients. It enters into agreements with companies that develop technological solutions in the energy industry and other sectors (such as digitalisation) and with universities and research centres, also looking at strategic partnerships (such as joint ventures and alliances) to capitalise on market opportunities. In addition to the ongoing commitment to seeking and potentially establishing technological agreements with various partners in terms of technologies and licences in the energy sector, Saipem internally develops innovative technological solutions and patents through research and development projects with its own resources, as well as through cooperation with other organisations.
In terms of energy transition, the fight against climate change is at the heart of Saipem's agenda. It represents one of today's greatest challenges for the energy sector and for society as a whole, so much so that it is considered a crucial part of the business model.
The strategy for fighting climate change is based firstly on the scenario analyses in 2050, drafted to identify the macro-trends and key drivers in the energy sector in terms of service demand, technologies, policies, legislation, socio-political aspects, etc., and in order to understand how these will affect Saipem's business as a whole. These scenarios are updated at least annually, and the results are presented to the Board of Directors and the top management to be developed into strategic guidelines.
The climate change strategy involves a significant commitment to reducing dependence on fossil fuels by offering increasingly sustainable solutions to the Company's clients, investing in renewable and clean technologies, and acting as an enabler of the transition from a fossil fuel-based to a "decarbonised" economy, in addition to reducing the reliance of its business on fossil fuels. To this end, Saipem is committed to improving the efficiency of its assets and operations to reduce its greenhouse gas emissions. Accordingly, it has a long-standing programme of continuous updating of its skills and renewal of its assets, with a view to speeding and facilitating its entry into the field of energy transition, a growing sector that sees all the great international players increasingly focused on the issues of sustainability, climate change, and reduction of environmental impacts. In this regard, Saipem has communicated to the market its emission targets for the medium-long term, announcing a reduction by 50% of the total emissions of GHG Scope 1 and Scope 2 by 2035 (compared to the 2018 baseline). In relation to Scope 2, the Net-Zero goal should be reached by 2025. Regarding Scope 3 emissions (i.e., indirectly associated with

Saipem value-chain activities), Saipem wants to have a key role in supporting and stimulating all the players in the chain, from clients to suppliers, in an organic and synergic decarbonisation process. More information can be found on the corporate website in the specific "Sustainability" section.

7. Project execution risks

Description and impact

Saipem operates mainly in the highly competitive services sector for the energy and infrastructure industries, executing complex works and projects for its clients.
The awarding of contracts is preceded by a bidding phase during which Saipem produces execution plans, timelines, and bid estimates. The preparation of the estimate and the determination of the price are the result of a thorough and precise estimation process that incorporates appropriate risk assessments through the use of contingencies.
During the multi-year execution of projects, actual costs may differ from the estimated amounts due to external factors (e.g., disruptions in the supply chain of goods and services, changing geopolitical conditions in the countries concerned, etc.) and as a result of changes in execution schedules caused by operational, technical, and/or technological complexities.
These factors could lead to additional costs, delays in execution, non-recognition or delayed recognition of revenue resulting in a reduction of originally estimated margins and a worsening of collections and financial exposure, with potential further reputational damage for the Group.

Mitigation

In order to achieve business results and increase management efficiency and effectiveness, Saipem has started to improve and rationalise its processes and activities, aimed for example at strengthening estimation processes, control measures, and risk management.
With a view to improving project management both during the bidding and execution phases, measures have been adopted to: (i) dematerialise and digitise selected engineering, procurement, and construction processes; (ii) further centralise certain strategic/significant activities; and (iii) increase synergies and disseminate lessons learned across the execution centres.
These initiatives were accompanied by a new organisational model based on distinct business lines characterised by different dynamics, objectives and competencies: (i) "asset-based services" (based on a rigorous optimisation of vessels and fabrication yards, and focused on key geographies and clients); (ii) "drilling" (to ensure executive management focused on efficiency and sustainability and to guarantee operational results and earnings in line with Group strategies, also through optimal management and use of its assets); (iii) "offshore wind" (for the bidding, design and execution activities of offshore wind power plants); (iv) "energy carriers" (for the design of complex plants or their low-carbon reconversion with an increasing focus on the best risk/return balance and with greater attention to margins) (v) "sustainable infrastructure" (for the development of strategic infrastructure in the new energy transition and sustainable mobility ecosystem); and (vi) "robotics & industrialized solutions" (for the development of modular, repeatable, scalable plants and monitoring and maintenance services based on digital technologies).

8. IT risks

Description and impact

The Group's operation depends significantly on the use of technologies, assets, patents, and licences it holds, and of IT systems developed through the years. In particular, Saipem considers the technological and digital component to be particularly relevant for projects in the Robotics & Industrialized Solutions business line; the focus of these projects are innovative products linked to emerging energy transition and robotics markets.
Given the rapid and constant technological evolution in these areas, the failure to take advantage of the opportunities linked to the digitisation and transformation of operational processes and activities (e.g. automation) and the failure to adopt innovative IT solutions could jeopardise the Company's technological, cultural and renewal development and consequently negatively impact the achievement of its short- or long-term objectives (more information is available in the specific "Digital and ICT Services" section).

Mitigation

The Company has launched several initiatives aimed at achieving a better efficiency and effectiveness and particular emphasis has been placed on the rationalisation of business processes and on the progressive cultural, technological, and digital change. Specifically, initiatives aimed at the dematerialisation and digitisation of activities continue.
Saipem is engaged in the implementation phase of the project of digital transformation through an agenda with several objectives, including efficiency improvement of ICT services, developing a new people management system, spreading digital awareness, and adopting new technologies, also including artificial intelligence. The adoption of advanced technologies such as smart cameras, safety equipment, and the combined use of robots, drones, and sensors will raise the standards of workplace safety.

Saipem has also set up various ICT business initiatives focused on the progressive digitisation and automation of work processes and the enhancement of corporate data and information assets. To this end, a shared data model and a data governance methodology based on the Common Data Environment (CDE) methodology have been implemented and will be progressively extended on a collaborative technology platform.

9. Risks associated with legal proceedings (legal, administrative, tax and labour)

Description and impact

In the ordinary course of operations, the Group may take part in disputes which, if not resolved by negotiation, may result in judicial or arbitral proceedings, including lengthy ones that require significant resources, costs and legal expenses.
The Group is currently a party to civil, criminal, administrative and tax proceedings in Italy and abroad. The estimate of expenses that could reasonably be expected and the amount of provisional funds are based on information available at the date of approval of the financial statements or interim financial statements, but may be subject to updates and revisions, including significant revisions of estimates as legal proceedings progress.
Any unfavourable outcome of disputes for the Group – in particular, those with greater media impact – or new disputes (regardless of the outcome) could result in significant repercussions on the Group's reputation, with a subsequent negative effect on activities, prospects, and the financial position, performance, and cash flow of the Group.
Given the intrinsic and unavoidable risk that characterises legal proceedings, while the Group has carried out the necessary assessments, including on the basis of applicable reporting standards, it is not possible to exclude the possibility that the Group might in future have to face payments for damages not covered by the provision for legal proceedings, or which are covered insufficiently, or which are uninsured, or which are of an amount greater than the maximum sum that may have been insured. Furthermore, in relation to legal proceedings brought by the Company, should it not be possible to settle the disputes by means of negotiation, the Company may have to bear further costs associated with the lengthy court hearings. In addition, the progress of legal and tax proceedings exposes the Company to potential impacts on its image and reputation in the mass media or with clients and partners.
Changes in national tax regimes, tax incentives, rulings with tax authorities, international financial treaties and, in addition, risks related to their application and interpretation in the countries where the Group companies operate, expose Saipem to tax-related risks which could result in disputes (especially in the economies more exposed to the deterioration of oil prices on the international market).

Mitigation

In order to maximise the mitigation of these risks, Saipem not only implements actions aiming to constantly strengthen its internal control system, but also makes use of specialised external consultants who assist the Company in judicial, civil, tax or administrative proceedings. The Board of Directors also monitors the evolution of the main legal proceedings in an active and continuous manner.
Saipem constantly monitors both the changes in and compliance with tax regulations, also in order to minimise the impacts due to its operating activities in all countries of interest through internal resources and tax consultants.

10. Risks associated with asset management

Description and impact

In order to execute EPCI projects, drilling services and other services in the energy industry, the Group has numerous assets (specialised vessels, drilling rigs, FPSOs, equipment, fabrication yards and logistics bases). Any operational performance of these assets that is lower than expected (e.g., due to delayed maintenance, inadequate planning of asset availability windows with respect to the needs of existing and future projects, etc.) could jeopardise the performance of activities, with negative effects on the time and cost of projects being executed and on client relations.
In addition, should the Company be unable to guarantee the operational performance and/or availability of assets, it may have to adjust its targets, with consequent impacts on its business, prospects, reputation, as well as its financial position, performance, and cash flow.

Mitigation

Saipem is constantly engaged in maintaining, updating, and renewing its assets with the aim of adapting its service offering to the current and future needs of the market, in order to carry out its business.
Should proprietary assets not be suitable and/or available to meet project needs, Saipem makes use of third-party vessels under project-specific contracts or long term charter/bare boat agreements and external fabrication yards to ensure that activities can be carried out and the objectives of the four-year plan can be achieved.

11. Risks related to human resources

Description and impact

The Group relies to a significant degree on the professional contribution of key management personnel and highly specialised individuals. Key management personnel means "Senior Managers with strategic responsibilities" (further information can be found in the specific section of the "2023 Corporate Governance and Shareholding Structure Report"). Highly specialised individuals, on the other hand, means resources that, on the basis of their skills and experience, are vital to the execution of projects and to the growth and development of Saipem.
The Group's ability to attract, motivate, and retain qualified resources in all functions and geographic areas represents a crucial success factor. The deterioration of this factor would expose Saipem to the risk of losing resources with a relevant know-how, with a subsequent medium-long-term negative effect on activities, prospects, and the financial position, performance, and cash flow.
Furthermore, working on international markets, the development of future strategies will depend significantly on the Company's ability to attract and retain highly qualified and competent personnel with a high level of diversity in terms of age, nationality, and gender. Finally, frequent changes in the labour laws of many of the countries in which it operates expose Saipem to various kinds of risks in the management of human resources, due to the volatility and uncertainty of local regulations as the uncertainty of the law in these countries may cause internal inefficiencies and litigation.

Mitigation

Saipem is committed to investing in gender, nationality, and generational balance, encouraging the development and growth of younger resources, as well as motivating and retaining the most experienced resources, in order to ensure the protection of distinctive and strategic skills through several different initiatives. To this end, specific initiatives have been launched focusing on promoting and spreading an inclusive culture through partnerships with the associations "Valore D" and "Parks - Liberi e Uguali". In 2023, Saipem was included in the Gender Equality Index (GEI), an internationally recognised index for measuring gender equality in listed companies and obtained the gender equality certification from the Norwegian entity Det Norske Veritas.
Furthermore, the aim of the Remuneration Policy, whose primary tools and objectives are defined in the Report on Remuneration Policy and Compensation Paid 2023, is to attract, motivate, and retain high-profile professional and managerial resources, and align management's interests with the aim of creating value for shareholders in the medium-long term.
Saipem has adopted a skill-based innovative model for the management of human capital with the aim of better directing energies and professional figures to the areas in need and ensuring greater flexibility in the development of personal and professional skills at all levels.
Therefore, the expansion of the Group into different business lines is accompanied by plans to employ and train management and technical personnel, both international and local, with a wide range of skills, as well as job rotation programmes.
Saipem also deals with international labour markets both through its network of local structures in all countries where it operates and through the Swiss company Global Project Services AG, which guarantees the recruitment of international personnel worldwide.
As defined in the Code of Ethics, in full compliance with applicable legal and contractual provisions, Saipem undertakes to offer equal opportunities to all its employees, making sure that each of them receives a fair statutory and wage treatment based on merit and expertise, without discrimination of any kind. Additionally, the Group monitors the legislative developments relating to personnel management in all the countries in which it operates or is interested in entering, availing itself of labour law consultants.

12. HSE risks

Description and impact

Saipem's activities may potentially expose it to accidents, which may cause negative impacts on the health and safety of people and the environment. Saipem's activities are subject to the laws and regulations for the protection of the environment, and on health and safety, at both Italian and international level. Despite the Company's best efforts, the risk of incidents that are detrimental to people's health and to the environment cannot be completely ruled out.
Such events could lead to criminal and/or civil penalties against those responsible and, in some cases, to violations of safety and environmental regulations, also pursuant to the Italian Legislative Decree No. 231/2001. This would lead to costs arising from the fulfilment of obligations under environmental, health and safety laws and regulations, leading to costs related to sanctions, not to mention the impact on its image and reputation.
Besides, in order to execute EPCI projects, drilling services and other services in the energy industry, the Group owns numerous assets that are subject to both normal operating risks and catastrophic risks related to weather events and/or natural disasters, which may cause impacts on the safety of people and the environment. The risks connected with ordinary operations can be caused by: (i) mistaken or inadequate execution of manoeuvres and work sequences that lead to damage for assets or facilities; (ii) mistaken or inadequate ordinary and/or extraordinary maintenance. Despite the fact that Saipem has specific know-how and competencies that are constantly kept up to date, that it has implemented internal procedures for the execution of its operations, and

regularly carries out maintenance work on its assets in order to monitor their quality and level of reliability, it is not possible to fully exclude the occurrence of incidents.

Mitigation

With reference to these risks, Saipem has developed an HSE (Health, Safety and Environment) management system which is in line with the requirements of laws in force and with international standards ISO 45001 for health and safety in the workplace and ISO 14001 for environmental management, and for which Saipem has obtained certification for the whole Group. Specifically, HSE risk management is based on the principles of prevention, protection, awareness, promotion, and participation; its aim is to guarantee the workers' health and safety and to protect the environment and the general well-being of the community.
Regarding the risks related to the safety and health of people, Saipem has introduced a series of specific mitigation initiatives, among which please note:

- the continuing and renewed implementation of the "Leadership in Health & Safety" (LiHS) programme, incorporating human factor principles, aimed at strengthening the Company's health and safety culture;
- various campaigns, for example "Life Saving Rules", aimed at promoting awareness of dangerous activities and actions that each individual can carry out to protect themselves and others; the "Dropped Objects Prevention", "We Want Zero", "Keep Your Hands Safe" (KYHS) and the "Work Safe - No Regrets" campaigns, aimed at preventing accidents related to working at heights, in response to an increase in accidents of this kind; and the "Fire Prevention Campaign". Also ongoing is “Choose Life” a training programme that aims at strengthening leadership and increasing awareness on health and well-being issues, with the objective of encouraging people to choose a healthier lifestyle. The programme addresses three of the main health risks: cardiovascular diseases, malaria and sexually transmitted diseases. Mental health, one of the main issues of interest for our sector, has been recently added, and the first psychological support service, also accessible in the metaverse, has been set up and is available free of charge and anonymously for our employees;
- pilot projects for the application of innovative digital technologies and artificial intelligence in HSE;
- the "Safety Step Up" programme and "step-change" actions aimed at continuously improving workplace safety performance, particularly in relation to preventing serious injuries and high-potential events, by adopting advanced technologies, alongside ongoing monitoring of best practices and HSE technologies available on the market;
- the gradual implementation of the electronic work permit (E-Permit to Work) across the entire fleet to enhance on-board safety management;
- the development of advanced Occupational Medicine and Health Surveillance, as well as the expansion of telemedicine services (teleradiology, telecardiology, and teledermatology).

Regarding the risks associated with safeguarding the environment, a structured system has been developed for the prevention, management, and response to spills.
Regarding the risks related to environmental protection, various specific mitigation initiatives have been introduced, including in particular:

- measures to eliminate the risk of spills (e.g. substitution of hazardous substances with eco-friendly substances, mapping of areas at greatest risk of spills and identification of appropriate prevention measures) and, if this happens, measures and actions to be implemented to prevent them from spreading;
- the identification of asset-specific maintenance programmes aimed at preventing fluid leaks;
- various campaigns, for instance "WED World Environment Day", aimed at promoting and raising employees' awareness on issues related to the environment, biodiversity and the efficient and sustainable management of all natural resources in general;
- initiatives aimed at increasing environmental awareness through various activities, such as the corporate volunteer event for waste collection at Parco Cassinis during the European Week for Waste Reduction.

In addition, Saipem promotes initiatives aimed at saving water and managing water risk, for example the creation of the Water Management Plan.
Lastly, for the mitigation of the risks related to asset management, Saipem incurs significant expenses for the maintenance of assets it owns and has developed various prevention initiatives, among which we highlight the implementation of the Asset Integrity Management System, a system that provides for the systematic management of critical elements, the identification of Key Performance Indicators and the creation of task familiarisation cards for managing the development of personnel assigned to specific roles or the use of critical equipment. Specifically, with regard to all vessels in the fleet, Saipem periodically renews certifications issued by the appropriate classification bodies and by flag state authorities following the inspections that the classification bodies perform on group vessels. In addition, the vessels, based on the technical characteristics and the type of each ship, must meet the requirements of applicable international maritime law and laws regulating the Oil&Gas industry.

13. Risks associated with client contract management

Description and impact

In the execution phase of EPC Lump-Sum Turnkey projects, there may be changes to the contractually agreed work that result in additional costs related to the changes requested by the client (change order) and/or higher costs incurred for reasons attributable to the client (claim). Saipem and its clients cooperate to find agreements on the additional fees that satisfy both parties to avoid compromising the correct performance of works and delaying the completion of the project. Saipem runs the risk that delays and difficulties in reaching agreement and in the recognition of compensation related to change orders and claims may be a source of delay in payment and cause a deterioration of project margins. Moreover, should Saipem and the client fail to agree on additional fees, the Group could be involved in disputes that could even result in judicial or arbitration proceedings and cause a deterioration in client relations and loss of future business opportunities.

Mitigation

Saipem is constantly striving to maintain solid and positive relations with its clients and, to mitigate these risks, it performs checks on standard contractual terms to protect itself in each jurisdiction of reference, negotiating clauses with clients to protect them also against possible geopolitical (sanctions) and macroeconomic (commodity price increases) risks. In addition, Saipem has launched various initiatives aimed at improving efficiency and effectiveness both in the contract negotiation phase, on the basis of a risk appetite defined and approved by the Board of Directors, and in the process of preparing the documentation supporting the claim and change order request, for a more timely communication of deviations from contractually agreed work.
Saipem actively participates in industry associations that promote the development and updating of contractual schemes aimed at optimising the balancing of risks, an activity that is particularly relevant with reference to the renewable energy business characterised by technological innovations and non-standardised contractual schemes currently on the market.

14. Compliance risks

Description and impact

Even though Saipem conducts its business with loyalty, fairness, transparency, integrity and in full compliance with laws and regulations, it has adopted and keeps constantly updated in Group companies an Internal Control and Risk Management System (SCIGR), a Code of Ethics and a Model pursuant to Italian Legislative Decree No. 231/2001, as well as an organisational, management and control model with reference to Group companies with offices in foreign countries, and carries out periodic audits, actions contrary to company procedures and regulations or unlawful acts may occur that could have negative effects on the financial position, performance, and cash flow, as well as reputation.
In addition, during its activities, the Group operates in various countries that have high levels of fraud and corruption and relies on subcontractors and suppliers who may engage in fraudulent conduct in coordination with employees to the detriment of the Company.
Saipem is also exposed to risks related to the protection of information and know-how as, when performing its activities it relies on information, data and know-how of a sensitive nature, access to which and dissemination by unauthorised employees or third parties may lead to fraud or illegal activities, with consequent damage.
Lastly, it cannot be excluded that non-compliance issues or the incorrect application of the European Data Protection Regulation (GDPR) may occur within the Group, which could result in the application of sanctions to the detriment of Saipem.

Mitigation

Saipem has developed an “Anti-corruption Compliance Programme”, a detailed system of regulations and controls for the purpose of preventing corruption, in line with international best practices and with the principle of “zero tolerance” expressed in the Code of Ethics. In particular, the "Anti-Corruption Compliance Programme" is dynamic and is constantly focused on the evolution of the national and international regulatory framework and of best practices.
In addition, Saipem’s Code of Ethics (included in Model 231) establishes that “corruption practices, illegitimate favours, collusion, solicitation, [occurring] directly and/or through third parties for personal and career advantages for oneself or others, are without exception prohibited”.
In order to facilitate the submission of reports, the Group makes various communication channels available to employees and stakeholders, including, but not limited to, ordinary mail, yellow boxes, dedicated e-mail boxes, communication tools on the intranet/internet sites of Saipem SpA and its subsidiaries and a dedicated information channel, overseen by the Compliance Committee (a board whose autonomy and independence are guaranteed by its acknowledged position in the context of the company's organisational structure and by the necessary requisites of independence, honourability, and professionalism of its members), through which it is possible to report any problems related to the internal control system, financial reporting, corporate administrative liability, fraud, or other topics (i.e. violations of the Code of Ethics, mobbing, theft, personnel security, etc.).
Saipem periodically performs general audits also using external consultants, considering fraud indicators and red flags, in addition to those specific on suspected offences.
Furthermore, over the years, Saipem has developed a management system that has received the International Standard ISO 37001 - Anti-Corruption Management Systems certification. This is an important safeguard in the prevention of and fight against corruption, as it defines the requirements and provides a guideline to help organisations prevent, detect, and respond to corruption and comply with anti-corruption legislation and any other voluntary commitments applicable to their activities. The ISO 37001 recertification activities were completed in April 2024.

Saipem is aware that the first step for the development of an effective strategy against corruption is to know all the available tools for the prevention of corrupt behaviour.
In this regard, Saipem personnel are engaged in training activities related to the Organisation, Management, and Control Model and Anti-Corruption regulations. Moreover, in order to mitigate and prevent risks related to possible unethical behaviour by suppliers and subcontractors, Saipem uses various tools, audits and training programmes and requires suppliers, subcontractors and partners to read and accept Model 231, including the Code of Ethics.
For the management of risks related to the leak of confidential information, it should be noted that Saipem makes use of IT security technologies and procedures to mitigate this exposure (more information is available in the specific “Digital, ICT Services” section). Saipem has also adopted principles and rules to be followed by the Group in its internal management and external communication of corporate documents and information, with particular reference to inside information (more information is available in the specific section within the "2023 Corporate Governance and Shareholding Structure Report").
Lastly, beginning in April 2018 Saipem developed an ad hoc Privacy Organisation Model aimed at guaranteeing compliance with the European directive on data protection (General Data Protection Regulation - GDPR). This model was renewed in December 2022 with a view to continuous improvement and strengthening of personal data protection safeguards.

Transfer of risks to the insurance market

The general guidelines applicable in terms of insurance risk transfer for the Saipem Group are revised annually.
Based on such guidelines, the Insurance function defines and implements the insurance programme, with the objective of protecting the employees, the assets and the consequences of the civil liability of the Saipem Group and covering certain of the risks associated to the execution of contracts with clients (mainly the construction risks).
The insurance programme also aims at maximising the cost-benefit ratio for the Group, by considering the current conditions of the insurance market (capacity, coverage limits and cost) and by utilising the captive reinsurance company Sigurd Rück AG for the management of selected risks (low intensity/medium frequency).
As the insurance market, as well as the markets of the Group, are constantly evolving, it is not possible to guarantee that all the risks are covered by the insurance programme. Furthermore, the volatility of the insurance market makes it impossible to guarantee the stability in the mid-term of the rates, terms and conditions of the insurance programme.

Saipem makes a distinction between the insurance policies applying indifferently across all the business lines to cover the entire portfolio (the “corporate insurance policies”) and the insurance policies taken out for the specific needs of a particular project (the “Specific-to-project Policies”).

Corporate insurance policies

The corporate insurance programme includes the following:

Worker’s Compensation insurance offering protection to Saipem employees in compliance with the specific regulations in force in the countries where the Group operates.

Property Damage package
- “Hull and Machinery” insurance covering Saipem fleet on an all-risks basis including war risks;
- “Construction Equipment” insurance covering Saipem onshore and offshore construction equipment on an all-risks basis;
- “Cargo” insurance covering the equipment/goods which Saipem is liable for during transport.
- “Offices and Yards” insurance covering building, offices, yards owned or leased by the Group.

Liability coverages
- “Protection & Indemnity (P&I)” insurance covering Saipem liabilities arising out of the navigation and/or operations of its vessels. Saipem fleet is entered into a P&I Club that is part of the International Group of P&I Club;
- “Comprehensive General Liability (CGL)” insurance covering Saipem liabilities arising out of Saipem’s operations whether onshore or offshore (always in difference of conditions and/or difference of limits of the P&I coverage which is primary to the CGL). This policy is also extended to cover Saipem Group Employer’s liability;
- “Directors & Officers (D&O)” policy providing financial protection for Saipem managers against the consequence of actual or alleged “wrongful acts” when acting in the scope of their managerial duties. The D&O policy covers the defence costs as well as the financial losses;
- “Cyber Insurance Protection” covers both property damage and liabilities which might arise out of a cyber-attack against Saipem information and operating systems.

Specific-to-Project policies

The size and the nature of the projects which Saipem is engaged in makes it impossible to cover related construction risks (risks of loss of or damage to the Works to be delivered) under open and permanent policies. These risks are subject to “specific-to-project” policies commonly referred to as “Construction All Risks (CAR)” policies. In most cases, these policies are provided by the Principal (the client). Alternatively, they fall under Saipem obligations. In any case, Saipem checks that the policy is suitable for the purpose of the project and in line with the market standards. These policies cover all the phases of the project from the engineering to the construction, installation and commissioning and are extended to also cover the warranty period attaching to the project.

ADDITIONAL INFORMATION

Physical Settlement Notice

On January 8, 2024, Saipem SpA delivered the Physical Settlement Notice to all bondholders of the equity-linked bonds named “€500,000,000 Senior Unsecured Guaranteed Equity-linked bonds due 2029”. In accordance with the Physical Settlement Notice, the bondholders shall be granted the right, effective from January 26, 2024, to convert the bonds into ordinary shares of the Company according to the terms and conditions of the bonds.

Launch of the buy-back programme for Saipem ordinary shares to service the 2023-2025 Variable Long-Term Incentive Plan

On January 15, 2024, Saipem SpA launched the buy-back programme for the Company’s ordinary shares, pursuant to Article 5 of EU Regulation No. 596/2014, as subsequently amended, concerning a maximum number of 29,500,000 shares to service the 2023 allocation of the Company's 2023-2025 Long-Term Variable Incentive Plan. As of January 29, 2024, 22,500,000 treasury shares have been purchased for a total consideration of €32,933,508 (weighted average price 1.4637).

Incident on Castorone vessel

On January 30, 2024, an incident occurred on the Castorone pipelay vessel off the waters of Australia during normal pipelaying operations. The incident did not cause injuries to personnel; only localised damage to the pipeline occurred and the ship did not suffer any damage. On February 13, 2024, the Australian Commonwealth regulator NOPSEMA (National Offshore Petroleum Safety and Environmental Management Authority) communicated its favourable opinion on the resumption of operations of the vessel.

Authorisation to buy-back treasury shares for the 2024 allocation of the 2023-2025 Long-Term Variable Incentive Plan

On May 14, 2024, the Shareholders' Meeting approved the proposal to authorise the buy-back of treasury shares for a period of eighteen months from the date of the shareholders' resolution, of up to a maximum of 31,900,000 ordinary shares and, in any case, up to the overall maximum amount of €77,500,000, to cover the 2024 allocation of the 2023-2025 Long-Term Variable Incentive Plan. Terms and conditions of the aforementioned Incentive Plan approved by the Shareholders' Meeting on May 3, 2023 are available in the documentation provided on the Company's website.

Prepayment of the loan guaranteed by SACE

On March 28, 2024, Saipem announced that it has completed the prepayment of the €387 million loan that was signed in February 2023 and communicated to the market on February 13, 2023 and June 21, 2023, with a pool of Italian and international banks, 70% of which was guaranteed by SACE under the "SupportItalia" programme. A first partial prepayment of €150 million had already been made in December 2023, to which the prepayment of the remaining outstanding amount of €237 million was added. The loan agreement envisaged a pre-amortisation period of 2 years, with repayment in 12 quarterly instalments starting on March 31, 2025, and final maturity on December 31, 2027. The prepayments were made by using available cash.

Bond issue

On May 22, 2024, Saipem SpA announced that its subsidiary Saipem Finance International BV had successfully completed the placement of a new fixed rate non-convertible and unsubordinated bond for a total principal amount of €500 million, with maturity in May 2030 (the "Notes"). The Notes pay a fixed annual coupon of 4.875% with a re-offer price of 100%.

Tender offers for two bonds

On May 29, 2024, Saipem SpA announced the final results of the tender offers launched by its subsidiary Saipem Finance International BV (the "Offeror") to the holders of the bonds denominated "2.625% EUR 500m Notes due 7 January 2025" (the "2025 Notes") and "3.375% EUR 500m Notes due 15 July 2026" (the "2026 Notes") issued by the Offeror and admitted to trading on the Euro MTF of the Luxembourg Stock Exchange.
Therefore, the Offeror announced that the final acceptance amount, on the terms and subject to the conditions set out in the Tender Offer Memorandum, was equal to €363,007,000 of which:
- €104,498,000 in respect of the 2025 Notes, and
- €258,509,000 in respect of the 2026 Notes.

Upon completion of the transaction, the 2026 Notes still outstanding are, in nominal amount, equal to €241,491,000 and the 2025 Notes still outstanding are, in nominal amount, equal to € 275,407,000.

Collaboration agreements

On March 19, 2024, Saipem and Fincantieri, have signed a Memorandum of Understanding to evaluate commercial and industrial opportunities for cooperation in the field of autonomous subsea vehicles and their integration with surface and underwater units. The Memorandum, signed at Palazzo Marina, the headquarters of the General Staff of the Italian Navy, is among the initiatives aimed at promoting and developing national excellence in the Underwater sector. The agreement aims to enable the two companies to participate in major programmes in the Italian and international markets in the area of surveillance and control of critical underwater infrastructure and rescue activities, through the use of specific complementary technologies from Fincantieri and Saipem. The collaboration involves the integration of surface vessels and submarines built by Fincantieri with the drone development programme "Hydrone" developed by Sonsub, Saipem's centre of excellence for subsea technologies and solutions.

Regulation on Markets

Article 15 (formerly Article 36) of Consob Regulation on Markets (adopted with Resolution No. 20249 of December 28, 2017): conditions for the listing of shares of companies with control over companies established and regulated under the law of non-EU countries

With regard to the published regulations setting out conditions for the listing of shares of companies with control over companies established and regulated under the law of non-EU countries and that are deemed to be of material significance in relation to the consolidated financial statements:

i. as of June 30, 2024, the regulatory requirements of Article 15 of the Market Regulation apply to the following subsidiaries:
   - Global Petroprojects Services AG;
   - PT Saipem Indonesia;
   - Saimexicana SA de Cv;
   - Saipem America Inc;
   - Saipem Contracting Nigeria Ltd;
   - Saipem do Brasil Serviçõs de Petroleo Ltda;
   - Saipem Drilling Norway AS;
   - Saipem Guyana Inc;
   - Saipem India Projects Private Ltd;
   - Saipem Ltd;
   - Saipem Misr for Petroleum Services (S.A.E.);
   - Saipem Singapore Pte Ltd;
   - Saudi Arabian Saipem Ltd;
   - Sigurd Rück AG;
   - Snamprogetti Engineering & Contracting Co Ltd;
   - Snamprogetti Saudi Arabia Co Ltd Llc;
   - Saipem Australia Pty Ltd;

ii. procedures designed to ensure full compliance with the aforementioned regulations have been adopted.

Business outlook

Results for the first half of 2024 record an improvement in performance, with revenues and adjusted EBITDA higher than the first half of 2023, by 20% and 38% respectively.
The results are fully in line with the Strategic Plan objectives, from a commercial, operational and financial point of view: positive net profit, positive operating cash flow with a reduction in net debt.
The guidance for 2024 announced on 28 February 2024 is therefore confirmed.

Events after the reporting period

Framework agreements

On July 12, 2024, Saipem has announced the signing of a framework agreement between BP Exploration (Caspian Sea) Ltd and a consortium composed of Saipem Contracting Netherlands BV, BOS Shelf Llc and BOS Shelf International FZCo that provides for the execution of offshore activities in the Azerbaijani waters of the Caspian Sea using the vessel SCV Khankendi, a state-of-the-art vessel owned by the Shah Deniz consortium specifically designed for subsea construction. Saipem will operate the vessel and will provide the crew, with which it will carry out the offshore activities for the Shah Deniz and Azeri-Chirag-Gunashli fields, located off the coast of Azerbaijan.
The overall value of the services that can be provided upon customer request, is estimated at approximately USD 300 million, of which USD 250 million relate to Saipem's share.

Additional information

In compliance with the provisions of Article 2364 of the Italian Civil Code and Article 11 of the Company's Articles of Association, the Board of Directors resolved to call the Annual General Shareholders' Meeting within 180 days from the end of the annual reporting period, as Saipem SpA is required to prepare consolidated financial statement.
Under Article 20 of the Articles of Association, pursuant to Article 2365, second paragraph of the Italian Civil Code, the Board of Directors of Saipem SpA is responsible for amending the Articles of Association to comply with legislative provisions.
Particularly, on January 3, 2024, has been updated the Article 5 of the Articles of Association of Saipem SpA following the registration at the Companies' Register of the resolution taken by the Extraordinary Shareholders' Meeting of December 13, 2023, authorising the convertibility of the equity-linked bonds named "€500,000,000 Senior Unsecured Guaranteed Equity-Linked Bonds due 2029" and the increase in the share capital, in divisible form, excluding Shareholders pre-emption rights pursuant to Article 2441, paragraph 5 of the Italian Civil Code, to be used to convert the aforementioned bonds through the issue of Saipem SpA ordinary shares.
In addition, on March 7, 2024, has been updated the Article 6 of the Articles of Association of Saipem SpA, following the recalculation of privileges enjoyed by Savings Shares, resulting from the Shares Reverse Splits resolved upon by the Board of Directors on June 8, 2022 (executing the Shareholders' Meeting resolution of May 17, 2022) and by the Shareholders' Meeting on April 28, 2017.

Reconciliation of reclassified balance sheets used in the interim Directors report with the mandatory financial statements

Reclassified statement of financial position

(€ million)	June 30, 2024		Dec. 31, 2023	
Reclassified statement of financial position (where not explicitly stated, the component is obtained from the mandatory template)	Partial values from mandatory template	Values from reclassified template	Partial values from mandatory template	Values from reclassified template
A) Net property, plant and equipment		2,964		2,960
Note 13 - Property, plant and equipment	*2,964*		*2,960*	
B) Net intangible assets		663		666
Note 14- Intangible assets	*663*		*666*	
C) Right-of-Use assets		475		428
Note 15- Right-of-Use assets	*475*		*428*	
D) Equity investments		140		162
Note 16 - Equity investments	*203*		*211*	
Reclassified from F) - provisions for losses of investees	*(63)*		*(49)*	
E) Working capital		(836)		(648)
Note 7 - Other current financial assets	*370*		*387*	
Reclassified to M) - loan assets not related to operations	*(369)*		*(386)*	
Note 8 - Trade receivables and other assets	*2,909*		*2,441*	
Note 9 - Inventories	*279*		*256*	
Note 10 – Contract assets	*2,265*		*1,925*	
Note 11- Income tax assets and liabilities	*400*		*390*	
Note 11 - Other current income tax assets	*142*		*146*	
Note 12 - Other current assets	*199*		*244*	
Note 18 - Other non-current assets	*62*		*52*	
Note 17 - Deferred tax assets	*275*		*257*	
Note 19 - Trade payables and other liabilities	*(3,470)*		*(2,944)*	
Note 20 – Contract liabilities	*(3,517)*		*(3,088)*	
Note 11 – Income tax assets and liabilities	*(102)*		*(94)*	
Note 11 - Other current tax liabilities	*(139)*		*(192)*	
Note 21 - Other current liabilities	*(114)*		*(33)*	
Note 26 - Other non-current liabilities	*(20)*		*(3)*	
Note 17 - Deferred tax liabilities	*(6)*		*(6)*	
F) Provisions for risks and charges		(647)		(718)
Note 24 - Provisions for risks and charges	*(710)*		*(767)*	
Reclassified to D) - provisions for losses of investees	*63*		*49*	
G) Employee benefits		(192)		(193)
Note 25 - Employee benefits	*(192)*		*(193)*	
H) Assets held for sale		-		-
Note 28 - Discontinued operations and liabilities directly related to assets held for sale	*-*		*-*	
EMPLOYED CAPITAL, NET		**2,567**		**2,657**
I) Equity		2,419		2,394
Note 29 - Equity	*2,419*		*2,394*	
L) Non-controlling interests		-		2
Note 29 - Non-controlling interests	*-*		*2*	
M) Net financial debt pre-lease liabilities		(394)		(216)
Note 5 - Cash and cash equivalents	*(2,148)*		*(2,136)*	
Note 6 - Financial assets measured at fair value through OCI	*(86)*		*(86)*	
Note 7 - Other non-current financial assets	*(1)*		*(1)*	
Note 22 - Current financial liabilities	*66*		*97*	
Note 22 - Non-current financial liabilities	*1,765*		*2,168*	
Note 22 - Current portion of non-current financial liabilities	*379*		*128*	
Reclassified from E) - financial receivables for non-operating purposes (Note 7)	*(369)*		*(386)*	
N) Lease liabilities		542		477
Note 15 - Net lease liabilities	*542*		*477*	
O) Net debt		148		261
FUNDING		**2,567**		**2,657**

Reclassified income statement

The reclassified income statement differs from the mandatory template solely for the following reclassification:

- the item "other operating income (expense)" (€2 million), which is indicated separately in the mandatory template, are stated under the item “purchases, services and other costs” in the reclassified income statement;
- the items “financial income” (€199 million), “financial expense” (-€233 million) and “derivatives” (-€39 million), which are indicated separately in the mandatory template, are stated under the item “net financial expense” (-€73 million) in the reclassified income statement;
- the items “share of profit (loss) of equity-accounted investees” (€3 million) and “other gains (losses) from equity investments” (€7 million), which are indicated separately under the statutory scheme, are stated under the item “net gains (losses) on equity investments” (€10 million) in the reclassified income statement.

All other items are unchanged.

Items of the reclassified statement of cash flows

The reclassified statement of cash flows differs from the mandatory template solely for the following reclassifications:

- the items “depreciation and amortisation” (€287 million), “net impairment losses (reversals of impairment losses) on property, plant and equipment, intangible assets, and Right-of-Use assets” (€23 million), “share of profit (loss) of equity-accounted investees” (-€3 million), “other changes” (€39 million) and “change in employee benefit provision” (€3 million), shown separately and included in the net cash flow from operating activities in the statutory scheme, are shown net under “depreciation, amortisations and other non-cash items” (€349 million);
- the “interest income” (-€30 million), “interest expense” (€89 million) and items “income taxes” (€74 million), indicated separately and included in cash flows from working capital in the mandatory template, are shown net under the item “dividends, interests and taxes” (€133 million);
- the items regarding changes in “inventories” (-€21 million), “trade receivables” (-€224 million), “trade payables” (€310 million), “provisions for risk and charges” (-€74 million), “other contract assets and liabilities” (€49 million) and “other assets and liabilities” (-€79 million), indicated separately and included in cash flows from working capital in the mandatory template, are shown net under the item “changes in working capital related to operations” (-€39 million);
- the items “dividends received” (€26 million), “interests received” (€20 million), “interest paid” (-€76 million) and “income taxes paid net of refunds of tax credits” (-€69 million), indicated separately and included in cash flows generated by operating activities in the mandatory template, are shown net under the item “dividends received, income taxes paid and interest paid and received” (-€99 million);
- the items relating to investments in “property, plant and equipment” (-€192 million) and “intangible assets” (-€2 million), indicated separately and included in cash flows from investing activities in the mandatory template, are shown net under the item “capital expenditure” (-€194 million);
- the items “increase in non-current loans and borrowings” (€549 million), “decrease in non-current loans and borrowings” (-€701 million) and “increase (decrease) in current loans and borrowings” (-€32 million), indicated separately and included in net cash flows from financing activities in the mandatory template, are shown net under the item “changes in current and non-current loans and borrowings” (-€184 million).

All other items are unchanged.

GLOSSARY

Financial terms

- **Adjusted EBIT** operating result net of special items.
- **Adjusted EBITDA** gross operating margin net of special items.
- **Beta** coefficient that defines the measure of the systematic risk of a financial asset, i.e., the trend of an asset's return in line with changes in the reference market. The beta is defined as the ratio between the probability of the expected return of a specific asset with the expected market return, and the variance of the market return.
- **CGU** Cash Generating Unit refers to, as part of the execution of the impairment test, the smallest identifiable group of assets that generates cash inflows or outflows, deriving from the continuous use of assets, largely independent of the cash inflows or outflows from other assets or groups of assets.
- **EBIT** earnings before interest and tax.
- **EBITDA** earnings before interest, taxes, depreciation and amortisation.
- **Headroom** (Impairment Loss) positive (or negative) excess of the recoverable amount of a CGU over the carrying amount of that unit.
- **IFRS** International Financial Reporting Standards issued by the IASB (International Accounting Standards Board) and endorsed by the European Commission. They comprise International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and the Standing Interpretations Committee (SIC) adopted by the IASB. The name International Financial Reporting Standards (IFRS) has been adopted by the IASB for standards issued after May 2003. Standards issued before May 2003 have maintained the denomination IAS.
- **KRI** (Key Risk Indicator) key risk indicator as a metric to measure the likelihood that the combined possibility of an event and its consequences will exceed the organisation's risk appetite and have a profoundly negative impact on the organisation's ability to succeed.
- **Leverage** measures a company's level of indebtedness, calculated as the ratio between net financial debt and equity including non-controlling interests.
- **Long-Only funds** active long-only equity managers have strategies characterised by being able to realise a gain only if the underlying market rises: if the latter falls, they can only limit their losses through a reduction in exposure and optimal (but not always feasible) stock selection.
- **OCI** (Other Comprehensive Income) items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by IFRSs.
- **Receivables "in bonis"** total amount of receivables of a commercial nature, not expired or past due by no more than twelve months, towards clients deemed solvent.
- **ROACE** (Return on Average Capital Employed) calculated as the ratio between net result before non-controlling interests, plus net financial expense on net financial position the related tax effect and net average capital employed.
- **Special items** items of income arising from events or transactions that are non-recurring or that are not considered to be representative of the ordinary course of business.
- **WACC** Weighted Average Cost of Capital calculated as a weighted average of the cost of the group's debt capital and the cost of risk capital, defined on the basis of the Capital Asset Pricing Model (CAPM) methodology, consistent with the specific risk of Saipem's business, measured by the beta of the Saipem share.
- **Write-off** cancellation or reduction of the value of an asset.

Operational terms

- **Buckle detection** system that utilises electromagnetic waves during pipe laying in order to flag if the pipes laid on the bottom have collapsed or are deformed in any way.
- **Bundles**, bundles of cables.
- **Carbon Capture and Storage** technology which enables the carbon present in gaseous effluents from hydrocarbon combustion and treatment plants to be captured and stored over long periods of time in underground geological formations, thus reducing or eliminating carbon dioxide emissions into the atmosphere.
- **Central Processing Facility** production unit performing the first transformation of crude oil or natural gas.
- **Cold stacked** an inactive plant with skeleton crew and maintenance.
- **Commissioning** series of processes and procedures undertaken in order to start operations of a gas pipeline, associated plants and equipment.
- **Concrete coating** reinforced concrete coating for subsea pipelines in order to ballast and protect them from damage and corrosion.
- **Conventional waters**, water depths of up to 500 metres.
- **Cracking** chemical-physical process, typically employed in dedicated refinery plants, whose objective is to break down the heavy hydrocarbon molecules obtained from primary distillation into lighter fractions.

- **Debottlenecking** removal of obstacles (in rigs/fields) which leads to higher production.
- **Deck** area of a vessel or platform where process plants, equipment, accommodation modules and drilling units are located.
- **Decommissioning** a process undertaken in order to wind down the operations of a gas pipeline and its associated plant and equipment. It is performed at the end of the useful life of the plant or vessel following an incident, for technical or financial reasons, for safety or environmental reasons.
- **Deep waters** water depths of over 500 metres.
- **Downstream** all operations that follow exploration and production operations in the oil sector.
- **Drillship** vessel capable of self-propulsion, designed to carry out drilling operations in deep waters.
- **Dry-tree** wellhead located above the water on a floating production platform.
- **Dynamically Positioned Heavy Lifting Vessel** a vessel equipped with a heavy-lift crane capable of maintaining a defined position with respect to a certain reference system with high precision by means of thrusters (propellers), thereby counteracting the force of the wind, sea, currents, etc.
- **EPC** (Engineering, Procurement, Construction) a type of contract typical of the Onshore Engineering & Construction segment, comprising the provision of engineering services, procurement of materials and construction. The term “turnkey” means when a plant is provided to customer ready for use, so already operational.
- **EPCI** (Engineering, Procurement, Construction, Installation) type of contract typical of the Offshore Engineering & Construction segment, which relates to the realisation of a complex project where the global or main contractor (usually a construction company or a consortium) provides the engineering services, procurement of materials, construction of the system and its infrastructure, transport to site, installation and commissioning/preparatory activities for the start-up of operations.
- **Fabrication yard** yard at which offshore structures are fabricated.
- **Facilities auxiliary** services, structures and installations required to support the main systems.
- **Farm out** awarding of the contract by the client to another entity for a fixed period of time.
- **FDS** (Field Development Ship) combined vessel, dynamically positioned, multi-purpose crane and subsea pipeline laying capability.
- **FEED** (Front-End Engineering and Design) basic engineering and preliminary activities carried out before beginning a complex project to evaluate its technical aspects and enable an initial estimate of the investment required.
- **Field Engineer** on-site engineer
- **Flare** tall metal structure used to burn off gas produced by oil/gas separation in oil fields when it is not possible to utilise it on site or ship it elsewhere.
- **FLNG** Floating Liquefied Natural Gas unit used for the treatment, liquefaction and storage of gas which is subsequently transferred onto vessels for transportation to end-use markets.
- **Floatover** type of module installation on offshore platforms that does not require lifting operations. A specialised vessel transporting the module uses a ballast system to position itself directly above the location where the module is to be installed. Once the module is in contact with the supports, the vessel disconnects, and the module is subsequently secured to the support structure.
- **Flowline** pipeline used to connect individual wells to a manifold or to gathering and processing facilities.
- **FPSO vessel** Floating Production, Storage and Offloading system comprising a large tanker equipped with a high-capacity production facility. This system, moored at the bow to maintain a geo-stationary position, is effectively a temporarily fixed platform that uses risers to connect the subsea wellheads to the on-board processing, storage and offloading systems.
- **FPU** Floating Production Unit.
- **FSHR** (Free Standing Hybrid Risers) system consisting of a vertical steel pipe (“riser”), which is kept under tension by a floating module position near the water whose buoyancy, ensures stability. A flexible pipe (jumper) connects the upper part of the riser to the Floating Production Unit (FPU), while the riser is anchored to the sea bottom by means of an anchoring system. A rigid pipe (riser base jumper) connects the lower part of the FSHR to the Pipeline End Terminations (PLETs).
- **FSRU** (Floating Storage Regasification Unit) a floating terminal in which liquefied natural gas is stored and then re-gasified before being transported by pipeline.
- **Gas export line** pipeline for carrying gas from the subsea reservoirs to the mainland.
- **Grass Root Refinery** a refinery that is built from scratch with a planned capacity.
- **Hydrocracker** installation in which large hydrocarbon molecules are broken down into smaller ones.
- **Hydrotesting** operation involving high pressure (higher than operational pressure) water being pumped into a pipeline to ensure that it is devoid of defects.
- **Hydrotreating** refining process aimed at improving the characteristics of oil fractions.
- **Ice Class** classification that indicates the additional level of upgrading and other criteria that make a ship seaworthy to sail in sea ice.
- **International Oil Companies** privately-owned, typically publicly traded, oil companies engaged in various fields of the upstream and/or downstream oil industry.
- **Jacket** platform underside structure fixed to the seabed using piles.
- **Jack-up** mobile self-lifting unit comprising a hull and retractable legs used for offshore drilling operations.
- **J-laying** method of pipe laying that utilises an almost vertical launch ramp, making the pipe configuration resemble the letter “J”. This type of pipe laying is suitable for deep waters.

- **Lay-up** a laid-up vessel whereby its class certification validity is suspended.
- **Leased FPSO** (Floating Production, Storage and Offloading) vessel for which a lease contract is in place between a client/lessee (Oil Company) and a contractor/lessor, whereby the lessee (client/Oil Company) makes lease payments to the lessor for use of the vessel for a specific period of time. At the end of the lease term, the lessee has the option to purchase the FPSO.
- **LNG** (Liquefied Natural Gas), which is obtained at atmospheric pressure by cooling the natural gas down to -160 °C. It is turned to liquid form for ease of transport from its extraction location to where it will then be transformed and used. A tonne of LNG is equivalent to 1,500 cubic metres of gas.
- **Local Content** policy whereby a group develops local capabilities, transfers its technical and managerial know-how and enhances the local labour market and businesses through its own business activities.
- **LPG** (Liquefied Petroleum Gas) produced in refineries through the fractionation of crude oil and subsequent processes, liquid petroleum gas exists in a gaseous state at ambient temperatures and atmospheric pressure but changes to a liquid state under moderate pressure at ambient temperatures, thus enabling large quantities to be stored in easy-to-handle metal pressure vessels.
- **LTI** Lost Time Injury. An LTI is any work-related injury that renders the injured person temporarily unable to perform any regular job or restricted work on any day/shift after the day or shift on which the injury occurred.
- **Marginal fields** oil fields with scarce exploitable resources or that are recording a drop in production, so it is sought to extend their use via low risk, cost effective technologies.
- **Midstream** sector comprising all those activities relating to the construction and management of the oil transport infrastructure.
- **Moon pool** an opening in the hull of a drillship for equipment to be lowered through.
- **Mooring buoy** offshore mooring system.
- **Multipipe subsea** gas/liquid gravity separation system using a series of small diameter vertical separators operating in parallel (for deep water application).
- **National Oil Companies** State-owned/controlled companies engaged in oil exploration, production, transportation and conversion.
- **NDT** Non-Destructive Testing. A series of inspections and tests used to detect structural defects conducted using methods that do not alter the material under inspection.
- **NDT Phased Array** non-destructive testing method that employs ultrasound to detect structural or welding defects.
- **Offshore/Onshore** the term offshore indicates a portion of open sea, and, by extension, the activities carried out in this area, while onshore refers to land operations.
- **Oil Services Industry** industrial sector that provides services and/or products to the National or International Oil Companies engaged in oil exploration, production, transportation and conversion.
- **Open Book Estimate** (OBE) type of contract where the lump-sum fee for the project (usually for turnkey or EPC projects) is agreed on with the client, with complete transparency, after the contract has been signed and during an advanced stage of the base engineering, on the basis of an overall project cost estimate.
- **Pig** piece of equipment used to clean, descale and survey a pipeline internally.
- **Piggyback pipeline** small-diameter pipeline, fixed to a larger pipeline, used to transport a product other than that of the main line.
- **Pile** long and heavy steel pylon driven into the seabed. A system of piles is used as the foundation for anchoring a fixed platform or other offshore structures.
- **Pipe-in-pipe** subsea pipeline system comprising 2 coaxial pipes, used to transport hot fluids (Oil&Gas). The internal pipe has the function of transporting the fluid. The space between the two pipes is insulated to reduce heat exchange with the external environment. The external pipe provides mechanical protection from the pressure of the water.
- **Pipe-in-pipe forged end** forged end of a coaxial double pipe.
- **Pipelayer** vessel used for subsea pipe laying.
- **Pipeline** pipes and auxiliary equipment used principally for transporting crude oil, oil products and natural gas to the point of delivery.
- **Pipe Tracking System** (PTS) an electronic system used to ensure the full traceability of the components of subsea pipes installed on a project.
- **Piping and Instrumentation Diagram** (P&ID) diagram showing all plant equipment, piping and instrumentation with associated shut-down and safety valves.
- **Pre Assembled Rack** (PAR) pipeline support beams.
- **Pre-commissioning** phase comprising pipeline clean-out and drying.
- **Pre-drilling template** support structure for a drilling platform.
- **Pre-Salt** layer geological formation present on the continental shelves offshore Brazil and Africa.
- **Pre-Travel Counselling** health and medical advice for anyone required to travel, providing them with adequate information on the specific risks in the country of destination and the relevant preventive measures to be taken.
- **Pulling** minor operations on oil wells due to maintenance or marginal replacements.
- **QHSE** Quality, Health, Safety, Environment.
- **Rig** drilling installation comprising the derrick, the drill deck (which supports the derrick), and ancillary installations that enable the descent, ascent and rotation of the drill unit, as well as mud extraction.
- **Riser** manifold connecting the subsea wellhead to the surface.

- **ROV** (Remotely Operated Vehicle) unmanned vehicle, piloted and powered via umbilical, used for subsea surveys and operations.
- **Shale gas** unconventional gas extracted from shale deposits.
- **Shale oil** non-conventional oil obtained from bituminous shale.
- **Shallow water** sees Conventional waters.
- **Sick Building Syndrome** a cluster of symptoms in people working in a specific workplace. The exact causes of the syndrome are not known but the presence of volatile organic compounds, formaldehyde, moulds and dust mites are thought to be contributing factors.
- **S-laying** method of pipe laying that utilises the elastic properties of steel, making the pipe configuration resemble the letter "S", with one end on the seabed and the other under tension on-board the ship. This configuration is suited to medium to shallow-water pipe laying.
- **Slug catcher** equipment for the purification of gas.
- **Smart stacking** when rig is left idle to reduce operational costs and a preservation programme is put in place.
- **Sour water**, water containing dissolved pollutants.
- **Spar** floating production system, anchored to the seabed by means of a semi-rigid mooring system, comprising a vertical cylindrical hull supporting the platform structure.
- **Spare capacity** relationship between crude oil production and production capacity, i. e. quantity of oil which is not currently needed to meet demand.
- **Spool** connection between a subsea pipeline and the platform riser, or between the ends of two pipelines.
- **Spoolsep** unit used to separate water from oil as part of the crude oil treatment process.
- **Stripping** process through which volatile compounds are removed from the liquid solution or the solid mass in which they have been diluted.
- **Subsea processing** operations performed in offshore oil and/or natural gas field developments, especially relating to the equipment and technology employed for the extraction, treatment and transportation of oil or gas below sea level.
- **Subsea tiebacks** lines connecting new oil fields with existing fixed or floating facilities.
- **Subsea treatment** a new process for the development of marginal fields. The system involves the injection and treatment of seawater directly on the seabed.
- **SURF** (Subsea, Umbilical, Risers, Flowlines) facilities, pipelines and equipment connecting the well or subsea system to a floating unit.
- **Tandem Offloading** method used for the transfer of liquids (oil or LNG) between two offshore units in a line via aerial, floating or subsea lines (unlike side-by-side offloading, where the two units are positioned next to each other).
- **Tar sands** mixture of clay, sand, mud, water and bitumen. The tar is made up primarily of high molecular weight hydrocarbons and can be transformed into various petroleum products.
- **Template** rigid and modular subsea structure where the oilfield well-heads are located.
- **Tender Assisted Drilling unit** (TAD) an offshore platform complete with drilling tower, connected to a drilling support tender vessel housing all necessary ancillary infrastructures.
- **Tendons** pulling cables used on tension leg platforms to ensure platform stability during operations.
- **Tension Leg Platform** (TLP) fixed-type floating platform held in position by a system of tendons and anchored to ballast caissons located on the seabed. These platforms are used in ultra-deep waters.
- **Termination for Convenience** the right to unilaterally terminate the contract at any time provided they pay the agreed termination fee to do so (cd. "termination fee").
- **Tie-in** connection between a production line and a subsea wellhead or simply a connection between two pipeline sections.
- **Tight oil**, oil "trapped" in liquid form deep below the earth's surface in low permeability rock formations, which it is difficult to extract using conventional methods.
- **Topside** portion of a platform above the jacket.
- **Train** series of units that achieve a complex refining, petrochemical, liquefaction or natural gas regasification process. A plant can be made up of one or more trains of equal capacity operating in parallel.
- **Trenching** burying of offshore or onshore pipelines.
- **Trunkline** oil pipeline connecting large storage facilities to the production facilities, refineries and/or onshore terminals.
- **Umbilical** flexible connecting sheath, containing flexible pipes and cables.
- **Upstream** relating to exploration and production operations.
- **Vacuum** second stage of oil distillation.
- **Warm Stacking** idle plant, but one ready to resume operations in the event that a new contract is acquired. Personnel are at full strength and ordinary maintenance is normally carried out.
- **Wellhead** fixed structure separating the well from the outside environment.
- **WHB (Wellhead Barge)** vessel equipped for drilling, workover and production (partial or total) operations, connected to process and/or storage plants.
- **Workover** major maintenance operation on a well or replacement of subsea equipment used to transport the oil to the surface.

Other terms

- **CCUS** (Carbon Capture, Utilization and Storage) covers all the solutions making it possible to reduce or fully eliminate from the atmosphere greenhouse gas emissions of polluting treatment plants.
- **ESG** (Environmental Social Governance) refers to the consideration of the operations of a company in relation of its interactions with the environment and territory, community and company management.
- **ESMA** European Securities and Markets Authority.
- **OECD** (Organisation for Economic Co-operation and Development) composed of thirty-five developed countries having in common a democratic system of government and a free market economy.
- **OPEC** Organization of the Petroleum Exporting Countries.

SAIPEM

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Statement of financial position

(€ million)	Note [1]	June 30, 2024 Total	June 30, 2024 of which with related parties [2]	Dec. 31, 2023 Total	Dec. 31, 2023 of which with related parties [2]
ASSETS					
Current assets					
Cash and cash equivalents	(No. 5)	2,148		2,136	
Financial assets measured at fair value through OCI	(No. 6)	86		86	
Other financial assets	(No. 7)	370	368	387	384
Lease assets	(No. 15)	93		98	
Trade receivables and other assets	(No. 8)	2,909	947	2,441	985
Inventories	(No. 9)	279		256	
Contract assets	(No. 10)	2,265		1,925	
Tax assets	(No. 11)	395		385	
Other tax assets	(No. 11)	142		146	
Other assets	(No. 12)	199	22	244	23
Total current assets		**8,886**		**8,104**	
Non-current assets					
Property, plant and equipment	(No. 13)	2,964		2,960	
Intangible assets	(No. 14)	663		666	
Right-of-Use assets	(No. 15)	475		428	
Equity investments accounted for using the equity method	(No. 16)	203		211	
Other equity investments	(No. 16)	-		-	
Other financial assets	(No. 7)	1		1	
Lease assets	(No. 15)	125		155	
Deferred tax assets	(No. 17)	275		257	
Tax assets	(No. 11)	5		5	
Other assets	(No. 18)	62	1	52	-
Total non-current assets		**4,773**		**4,735**	
Discontinued operations and assets held for sale	(No. 28)	-	-	26	-
TOTAL ASSETS		**13,659**		**12,865**	
LIABILITIES AND EQUITY					
Current liabilities					
Current financial liabilities	(No. 22)	66	1	97	1
Current portion of non-current financial liabilities	(No. 22)	379		128	
Current portion of non-current lease liabilities	(No. 15)	321		299	
Trade payables and other liabilities	(No. 19)	3,470	241	2,944	177
Contract liabilities	(No. 20)	3,517	896	3,088	893
Tax liabilities	(No. 11)	76		74	
Other tax liabilities	(No. 11)	139		192	
Other liabilities	(No. 21)	114	-	33	-
Total current liabilities		**8,082**		**6,855**	
Non-current liabilities					
Non-current financial liabilities	(No. 22)	1,765	-	2,168	-
Non-current lease liabilities	(No. 15)	439	-	431	1
Provisions for risks and charges	(No. 24)	710		767	
Employee benefits	(No. 25)	192		193	
Deferred tax liabilities	(No. 17)	6		6	
Tax liabilities	(No. 11)	26		20	
Other liabilities	(No. 26)	20	-	3	-
Total non-current liabilities		**3,158**		**3,588**	
Discontinued operations, assets held for sale and directly associated liabilities	(No. 28)	-	-	26	-
TOTAL LIABILITIES		**11,240**		**10,469**	
EQUITY					
Non-controlling interests	(No. 29)	-		2	
Equity attributable to the owners of the parent:	(No. 29)	2,419		2,394	
- share capital	(No. 29)	502		502	
- share premium	(No. 29)	1,622		1,622	
- other reserves	(No. 29)	(30)		28	
- retained profit		314		137	
- profit (loss) for the period		118		179	
- negative reserve for treasury shares in portfolio	(No. 29)	(107)		(74)	
Total equity		**2,419**		**2,396**	
TOTAL LIABILITIES AND EQUITY		**13,659**		**12,865**	

(1) The notes are an integral part of the condensed interim consolidated financial statements.
(2) For an analysis of figures shown as "of which with related parties", see Note 41 "Related party transactions".

Income statement

(€ million)	Note [1]	First half 2024 Total	First half 2024 of which with related parties [2]	First half 2023 Total	First half 2023 of which with related parties [2]
REVENUE					
Core business revenue	(No. 32)	6,418	1,758	5,347	1,451
Other revenue and income	(No. 32)	1	-	2	-
Total revenue		**6.419**		**5,349**	
Operating expenses					
Purchases, services and other costs	(No. 33)	(4,882)	(387)	(4,097)	(263)
Net reversals of impairment losses (impairment losses) on trade receivables and other assets	(No. 33)	(2)		(14)	
Personnel expenses	(No. 33)	(972)		(826)	
Depreciation, amortisation and impairment losses	(No. 33)	(310)		(218)	
Other operating income (expense)	(No. 33)	2		(2)	
OPERATING PROFIT (LOSS)		**255**		**192**	
Financial income (expense)					
Financial income		199	24	73	7
Financial expense		(233)	(3)	(114)	-
Derivative financial instruments		(39)		(46)	
Net financial income (expense)	(No. 34)	**(73)**		**(87)**	
Gains (losses) on equity investments					
Share of profit (loss) of equity-accounted investees		3		20	
Other gains (losses) from equity investments		7		(7)	
Net gains (losses) on equity investments	(No. 35)	**10**		**13**	
PRE-TAX PROFIT (LOSS)		**192**		**118**	
Income taxes	(No. 36)	(74)		(78)	
PROFIT (LOSS) FOR THE PERIOD - Continuing operations		**118**		**40**	
PROFIT (LOSS) FOR THE PERIOD - Discontinued operations		**-**		**-**	
PROFIT (LOSS) FOR THE PERIOD		**118**		**40**	
Attributable to Saipem Group					
- Continuing operations		118		40	
- Discontinued operations	(No. 28)	-	-	-	(2)
Non-controlling interests	(No. 37)				
- Continuing operations		-		-	
- Discontinued operations	(No. 28)	-		-	
Profit (loss) per share on Saipem's profit (loss) for the period (€ per share)					
Basic profit (loss) per share	(No. 38)	0.06		0.02	
Diluted profit (loss) per share	(No. 38)	0.06		0.02	
Profit (loss) per share on Saipem's profit (loss) for the period - Continuing operations (€ per share)					
Basic profit (loss) per share	(No. 38)	0.06		0.02	
Diluted profit (loss) per share	(No. 38)	0.06		0.02	

(1) The notes are an integral part of the condensed interim consolidated financial statements.
(2) For an analysis of figures shown as "of which with related parties", see Note 41 "Related party transactions".

Statement of comprehensive income

(€ million)	Note [1]	First half 2024	First half 2023
Profit (loss) for the period		**118**	**40**
Other items of comprehensive income			
Items that will not be reclassified subsequently to the income statement			
Remeasurement of defined benefit plans for employees	(No. 29)	5	(2)
Change in fair value of equity investments measured at fair value through OCI	(No. 29)	-	-
Share of other comprehensive income of equity-accounted investees relating to remeasurement of defined benefit plans	(No. 29)	(1)	-
Income tax relating to items that will not be reclassified	(No. 36)	(1)	1
Items that will not be reclassified subsequently to the income statement		**3**	**(1)**
Items that may be reclassified subsequently to the income statement			
Change in the fair value of cash flow hedges	(No. 29)	(103)	54
Change in the fair value of financial assets, other than equity investments, measured at fair value through OCI	(No. 29)	-	-
Exchange differences arising from the translation into euro of financial statements in currencies other than euro	(No. 29)	21	(3)
Share of other comprehensive income of equity-accounted investees	(No. 29)	-	1
Income tax relating to items that will be reclassified	(No. 36)	18	(14)
Total items that may be reclassified subsequently to the income statement		**(64)**	**38**
Total other comprehensive income (expense) net of taxation		**(61)**	**37**
Comprehensive profit (loss) for the period		**57**	**77**
Saipem Group's responsibility:			
- Continuing operations		57	78
- Discontinued operations	(No. 28)	-	-
		57	**78**
Non-controlling interests			
- Continuing operations		-	(1)
- Discontinued operations	(No. 28)	-	-
		-	**(1)**

(1) The notes are an integral part of the condensed interim consolidated financial statements.

Statement of changes in equity

(€ million)	Share capital	Share premium reserve	Other reserves	Legal reserve	Reserve for treasury shares	Fair value reserve (equity investments)	Cash flow hedge reserve, net of taxation	Fair value reserve (AFS financial instruments), net of taxation	Translation reserve	Reserve for employee defined benefit plans, net of taxation	Reserve for OCI on equity-accounted investments	Retained earnings (losses carried forward)	Profit (loss) for the year	Negative reserve for treasury shares in portfolio	Total	Non-controlling interests	Total equity
	Saipem shareholders' equity																
Balance as of December 31, 2023	**502**	**1,622**	**80**	**–**	**–**	**–**	**19**	**(2)**	**(45)**	**(22)**	**(2)**	**137**	**179**	**(74)**	**2,394**	**2**	**2,396**
Profit (loss) first half of 2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**118**	**-**	**118**	**-**	**118**
Other items of comprehensive income																	
Items that will not be reclassified subsequently to the income statement																	
Revaluations of defined benefit plans for employees net of tax effect	-	-	-	-	-	-	-	-	-	4	-	-	-	-	4	-	4
Change in fair value of equity investments measured at fair value through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of equity-accounted investees relating to remeasurement of defined benefit plans for employees, net of tax effect	-	-	-	-	-	-	-	-	-	-	(1)	-	-	-	(1)	-	(1)
Other items of comprehensive income not to be reclassified and relating to Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4**	**(1)**	**-**	**-**	**-**	**3**	**-**	**3**
Items that may be reclassified subsequently to the income statement																	
Change in the fair value of cash flow hedging derivatives net of the tax effect	-	-	-	-	-	-	(85)	-	-	-	-	-	-	-	(85)	-	(85)
Change in the fair value of financial assets, other than equity investments, measured at fair value through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences of financial statements in currencies other than euro	-	-	-	-	-	-	-	-	19	-	-	2	-	-	21	-	21
Share of other comprehensive income of equity-accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other items of comprehensive income to be reclassified and relating to Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**(85)**	**-**	**19**	**-**	**-**	**2**	**-**	**-**	**(64)**	**-**	**(64)**
Comprehensive profit (loss) first half of 2024	**-**	**-**	**-**	**-**	**-**	**-**	**(85)**	**-**	**19**	**4**	**(1)**	**2**	**118**	**-**	**57**	**-**	**57**
Owner transactions																	
Dividend distribution first half of 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained profit (loss)	-	-	-	5	-	-	-	-	-	-	-	174	(179)	-	-	-	-
Increase (reduction) of share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares repurchased	-	-	-	-	-	-	-	-	-	-	-	-	-	(33)	(33)	-	(33)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2)	(2)
Other owner transactions (payment for future capital increase)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with companies under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change of reserve of convertible bond	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**174**	**(179)**	**(33)**	**(33)**	**(2)**	**(35)**
Other changes in equity																	
Recognition of fair value of incentive plans	-	-	-	-	-	-	-	-	-	-	-	3	-	-	3	-	3
Other changes	-	-	-	-	-	-	-	-	-	-	-	(2)	-	-	(2)	-	(2)
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**1**	**-**	**1**
Balance as of June 30, 2024	**502**	**1,622**	**80**	**5**	**-**	**-**	**(66)**	**(2)**	**(26)**	**(18)**	**(3)**	**314**	**118**	**(107)**	**2,419**	**-**	**2,419**
Balance as of December 31, 2022	**502**	**1.877**	**-**	**-**	**-**	**-**	**(76)**	**(4)**	**(20)**	**(16)**	**-**	**91**	**(209)**	**(77)**	**2,068**	**18**	**2,086**
Profit (loss) first half of 2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**40**	**-**	**40**	**-**	**40**
Other items of comprehensive income																	
Items that will not be reclassified subsequently to the income statement																	
Revaluations of defined benefit plans for employees net of tax effect	-	-	-	-	-	-	-	-	-	(1)	-	-	-	-	(1)	-	(1)
Change in fair value of equity investments measured at fair value through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of equity-accounted investees relating to remeasurement of defined benefit plans for employees, net of tax effect	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other items of comprehensive income not to be reclassified and relating to Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1)**	**-**	**-**	**-**	**-**	**(1)**	**-**	**(1)**
Items that may be reclassified subsequently to the income statement																	
Change in the fair value of cash flow hedging derivatives net of the tax effect	-	-	-	-	-	-	40	-	-	-	-	-	-	-	40	-	40
Change in the fair value of financial assets, other than equity investments, measured at fair value through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences of financial statements in currencies other than euro	-	-	-	-	-	-	-	-	(2)	-	-	-	-	-	(2)	(1)	(3)
Share of other comprehensive income of equity-accounted investees relating to remeasurement of defined benefit plans for employees, net of tax effect	-	-	-	-	-	-	1	-	-	-	-	-	-	-	1	-	1
Other items of comprehensive income to be reclassified and relating to Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**41**	**-**	**(2)**	**-**	**-**	**-**	**-**	**-**	**39**	**(1)**	**38**

cont'd **Statement of changes in equity**

	Saipem shareholders' equity																
(€ million)	**Share capital**	**Share premium reserve**	**Other reserves**	**Legal reserve**	**Reserve for treasury shares**	**Fair value reserve (equity investments)**	**Cash flow hedge reserve, net of taxation**	**Fair value reserve (AFS financial instruments), net of taxation**	**Translation reserve**	**Reserve for employee defined benefit plans, net of taxation**	**Reserve for OCI on equity-accounted investments**	**Retained earnings (losses carried forward)**	**Profit (loss) for the year**	**Negative reserve for treasury shares in portfolio**	**Total**	**Non-controlling interests**	**Total equity**
Comprehensive profit (loss) first half of 2023	**-**	**-**	**-**	**-**	**-**	**-**	**41**	**-**	**(2)**	**(1)**	**-**	**-**	**40**	**-**	**78**	**(1)**	**77**
Owner transactions																	
Dividend distribution first half of 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained profit (loss)	-	(255)	-	-	-	-	-	-	-	-	-	46	209	-	-	-	-
Increase (reduction) of share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares repurchased	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13)	(13)
Other owner transactions (payment for future capital increase)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with companies under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**(255)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**46**	**209**	**-**	**-**	**(13)**	**(13)**
Other changes in equity																	
Recognition of fair value of incentive plans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-	-	2	-	-	2	(2)	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2**	**-**	**-**	**2**	**(2)**	**-**
Balance as of June 30, 2023	**502**	**1,622**	**-**	**-**	**-**	**-**	**(35)**	**(4)**	**(22)**	**(17)**	**-**	**139**	**40**	**(77)**	**2,148**	**2**	**2,150**
Profit (loss) second half 2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**139**	**-**	**139**	**-**	**139**
Other items of comprehensive income																	
Items that will not be reclassified subsequently to the income statement																	
Revaluations of defined benefit plans for employees net of tax effect	-	-	-	-	-	-	-	-	-	(6)	-	-	-	-	(6)	-	(6)
Change in fair value of equity investments measured at fair value through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of equity-accounted investees relating to remeasurement of defined benefit plans for employees, net of tax effect	-	-	-	-	-	-	-	-	-	-	(1)	-	-	-	(1)	-	(1)
Other items of comprehensive income not to be reclassified and relating to Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6)**	**(1)**	**-**	**-**	**-**	**(7)**		**(7)**
Items that may be reclassified subsequently to the income statement																	
Change in the fair value of cash flow hedging derivatives net of the tax effect	-	-	-	-	-	-	55	-	-	-	-	-	-	-	55		55
Change in the fair value of financial assets, other than equity investments, measured at fair value through OCI	-	-	-	-	-	-	-	2	-	-	-	-	-	-	2	-	2
Exchange differences of financial statements in currencies other than euro	-	-	-	-	-	-	-	-	(24)	-	-	(4)	-	-	(28)	-	(28)
Share of other comprehensive income of equity-accounted investees	-	-	-	-	-	-	(1)	-	-	-	-	-	-	-	(1)	-	(1)
Other items of comprehensive income to be reclassified and relating to Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**54**	**2**	**(24)**	**-**	**-**	**(4)**	**-**	**-**	**28**	**-**	**28**
Comprehensive profit (loss) second half of 2023	**-**	**-**	**-**	**-**	**-**	**-**	**54**	**2**	**(24)**	**(6)**	**(1)**	**(4)**	**139**	**-**	**160**	**-**	**160**
Owner transactions																	
Dividend distribution second half of 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained profit (loss)	-	(1)	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-
Reserve stock split	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (reduction) of share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capitalisation of costs of share capital increase net of taxes	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Treasury shares repurchased	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other owner transactions (payment for future capital increase)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with companies under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change of reserve of convertible bond	-	-	80	-	-	-	-	-	-	-	-	-	-	-	80	-	80
Total	**-**	**-**	**80**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**81**	**-**	**81**
Other changes in equity																	
Recognition of fair value of incentive plans	-	-	-	-	-	-	-	-	-	-	-	3	-	3	6	-	6
Other changes	-	-	-	-	-	-	-	-	1	1	(1)	(2)	-	-	(1)	-	(1)
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**1**	**(1)**	**1**	**-**	**3**	**5**	**-**	**5**
Balance as of December 31, 2023	**502**	**1,622**	**80**	**-**	**-**	**-**	**19**	**(2)**	**(45)**	**(22)**	**(2)**	**137**	**179**	**(74)**	**2,394**	**2**	**2,396**

For details, see Note 29 "Equity".

Statement of cash flows

(€ million)	Note [1]	First half 2024	First half 2023
Group's profit (loss) for the period - Continuing operations		118	40
Group's profit (loss) for the period - Discontinued operations		-	-
Profit (loss) attributable to non-controlling interests		-	-
Adjustments to reconcile the period profit (loss) to cash flows from operating activities:			
- depreciation and amortisation - Continuing operations	(No. 33)	287	207
- depreciation and amortisation - Discontinued operations		-	-
- net impairment losses (reversals of impairment losses) on property, plant and equipment, intangible assets, and Right-of-Use assets	(No. 33)	23	11
- share of profit (loss) of equity-accounted investees	(No. 29)	(3)	(13)
- net (gains) losses on disposal of assets		(7)	1
- interest income		(30)	(14)
- interest expense		89	69
- income taxes	(No. 36)	74	78
- other changes		39	(14)
Changes in working capital:			
- inventories		(21)	(23)
- trade receivables		(224)	180
- trade payables		310	(44)
- provisions for risks and charges		(74)	(218)
- contract assets and contract liabilities		49	(72)
- other assets and liabilities		(79)	56
Cash flow from working capital - Continuing operations		*(39)*	*(121)*
Cash flow from working capital - Discontinued operations		-	-
Cash flow from working capital		*(39)*	*(121)*
Change in the provision for employee benefits - Continuing operations		3	(6)
Change in the provision for employee benefits - Discontinued operations		-	-
Dividends received		26	42
Interest received		20	10
Interest paid		(76)	(62)
Income taxes paid net of refunds of tax credits		(69)	(86)
Net cash flows from operating activities - Continuing operations		**455**	**142**
Net cash flows from operating activities - Discontinued operations		**-**	**-**
Net cash flows from operating activities		**455**	**142**
of which with related parties [2] - Continuing operations	(No. 41)	**1,497**	**1,270**
of which with related parties [2] - Discontinued operations		**-**	**-**
Investments:			
- property, plant and equipment - Continuing operations	(No. 13)	(192)	(137)
- property, plant and equipment - Discontinued operations	(No. 13)	-	-
- intangible assets	(No. 14)	(2)	(2)
- equity investments	(No. 16)	(3)	(1)
- securities for operating purposes		-	-
- loan assets for operating purposes		-	-
Cash flows from investments - Continuing operations		*(197)*	*(140)*
Cash flows from investments - Discontinued operations		-	-
Cash flows from investments		*(197)*	*(140)*
Disposals:			
- property, plant and equipment		13	3
- out-of-scope entities and business units		-	58
- equity investments		-	-
- securities for operating purposes		-	-
- loan assets for operating purposes		-	-
Cash flows from disposals - Continuing operations		*13*	*61*
Cash flows from disposals - Discontinued operations		-	-
Cash flows from disposals		*13*	*61*
Net variation of securities and loan assets not related to operations		*16*	*49*

(1) The notes are an integral part of the condensed interim consolidated financial statements.
(2) For an analysis of figures shown as "of which with related parties", see Note 41 "Related party transactions".

cont'd Statement of cash flows

(€ million)	Note [1]	First half 2024	First half 2023
Net cash flows from investing activities		**(168)**	**(30)**
of which with related parties [2]	(No. 41)	**16**	**28**
Increase in non-current loans and borrowings		549	484
Decrease in non-current loans and borrowings		(701)	(162)
Decrease in lease liabilities		(85)	(59)
Increase (decrease) in current loans and borrowings		(32)	(55)
Cash flow from increases (decreases) in loss and borrowings		**(269)**	**208**
Net capital contributions by non-controlling interests		-	-
Sale (purchase) of additional interests in consolidated subsidiaries		-	-
Dividend distribution		-	-
Sale (buy-back) of treasury shares		(33)	-
Net change in convertible bond		(6)	-
Net cash flows from financing activities		**(308)**	**208**
of which with related parties [2]	(No. 41)	**-**	**-**
Effect of changes in consolidation scope		-	(7)
Effect of exchange differences and other changes on cash and cash equivalents		33	(27)
Net variation in cash and cash equivalents		**12**	**286**
Cash and cash equivalents - opening balance	(No. 5)	**2,136**	**2,052**
Cash and cash equivalents - closing balance	(No. 5)	**2,148**	**2,338**

(1) The notes are an integral part of the condensed interim consolidated financial statements.
(2) For an analysis of figures shown as "of which with related parties", see Note 41 "Related party transactions".

For reporting required by IAS 7, please refer to Note 22 "Financial liabilities".

Table of Contents Notes to the condensed interim consolidated financial statements

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of presentation

The Group's condensed interim consolidated financial statements as of June 30, 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting" on a going concern basis. Consistently with these provisions, the condensed interim consolidated financial statements do not include all the information required for annual consolidated financial statements, and therefore should be read jointly with the Group's last annual consolidated financial statements included in the Annual Report as of December 31, 2023.
In line with the provisions of IAS 34, although presented in condensed form, the notes to the condensed interim consolidated financial statements provide a description of the relevant events and transactions for understanding the changes in the Group's equity and financial position and performance compared to the last consolidated annual financial statements; conversely, the financial statements are presented in complete form, in line with the provisions of IAS 1 "Presentation of Financial Statements".
The condensed interim consolidated financial statements have been prepared in accordance with the same basis of consolidation and accounting policies described in the 2023 Annual Report, to which reference should be made, with the exception of the changes to international accounting standards which entered into force on January 1, 2024, which are illustrated in the section "Changes to accounting standards" of this Report.
Consolidated companies, subsidiaries that are not fully consolidated, equity investments in joint ventures and joint operations and associated companies are indicated in the Note 4 "Consolidation scope", which also indicates the changes occurring during the year.
The condensed interim consolidated financial statements as of June 30, 2024, approved by Saipem SpA's Board of Directors SpA at its meeting held on July 24, 2024, are subject to limited review by KPMG SpA. A limited review is substantially less in scope than an audit performed in accordance with generally accepted auditing standards.
Amounts stated in financial statements and the notes thereto, considering their relevance, are in millions of euros.

Exchange of financial statements in currencies other than Euro

The financial statements of investees with a functional currency other than euro, which represents the functional currency of the parent company, as well as the presentation currency of the Group's condensed interim consolidated financial statements, are converted into euro applying: (i) closing exchange rates for assets and liabilities; (ii) historical exchange rates for equity accounts; and (iii) the average rates for the period to the income statement and the statement of cash flow (source: Banca d'Italia).
Exchange differences resulting from the translation of the financial statements of investees having a functional currency other than euro, deriving from the application of different exchange rates for assets and liabilities, equity, and the income statement, are recognised in equity under the item "Translation reserve" (included in "Other reserves") for the portion pertaining to the Group[1].
Cumulative exchange differences are charged to the income statement when an investment is fully disposed of, i.e., when control, joint control or significant influence on the investee is lost. In such circumstances, the differences are taken to the income statement under the item "Other gains (losses) on equity investments". In the event of a partial disposal that does not result in the loss of control, the portion of exchange differences relating to the interest sold is recognised under non-controlling interests in equity. In the event of a partial disposal that does not result in the loss of joint control or significant influence, the portion of exchange differences relating to the interest disposed of is taken to the income statement. The repayment of the capital, carried out by a subsidiary having a functional currency other than euro, which does not result in a change in the equity investment held, entails charging the corresponding portion of the exchange rate differences to the income statement.
The financial statements translated into euros are those denominated in the functional currency, i.e., the local currency or the currency in which most financial transactions and assets and liabilities are denominated.

(1) The share of non-controlling interests in the cumulate exchange rate differences resulting from the translation of subsidiaries' financial statements having a functional currency other than the euro is recognised under "Non-controlling interest" in equity.

The exchange rates that have been applied for the translation of financial statements in foreign currencies are as follows:

Currency	Exchange rate as of June 30, 2024	Average exchange rate 2024	Exchange rate as of Dec. 31, 2023
US Dollar	1.0705	1.0813	1.105
British Pound Sterling	0.8464	0.8547	0.86905
Algerian Dinar	144.0192	145.4194	148.2657
Angolan Kwanza	921.99	911.979	920.402
Saudi Arabian Riyal	4.0144	4.0547	4.1438
Argentine Peso	975.3883	929.0128	892.9239
Australian Dollar	1.6079	1.6422	1.6263
Brazilian Real	5.8915	5.4922	5.3618
Canadian Dollar	1.467	1.4685	1.4642
Egyptian Pound	51.408	44.831	34.1589
Ghanaian New Cedi	16.3627	14.423	13.2254
Indian Rupee	89.2495	89.9862	91.9045
Indonesian Rupiah	17,487.21	17,205.15	17,079.71
Kazakhstan Tenge	501.69	485.67	502.48
Malaysian Ringgit	5.0501	5.1107	5.0775
Nigerian Naira	1,619.9234	1,447.4826	974.0907
Norwegian Kroner	11.3965	11.4926	11.2405
Peru nuevo sol	4.1023	4.0556	4.0818
Qatar Riyal	3.8966	3.9358	4.0222
New Romanian Leu	4.9773	4.9743	4.9756
Russian Rouble	91.8731	98.1646	98.5958
Singapore Dollar	1.4513	1.4561	1.4591
Swiss Franc	0.9634	0.9615	0.926

Source: Banca d'Italia.

2 Accounting estimates and significant judgements

The preparation of financial statements and interim reports in accordance with generally accepted accounting standards requires Management to make accounting estimates based on complex and/or subjective judgements, past experience and assumptions deemed reasonable and realistic based on the information available at the time of the estimate. The use of these estimates and assumptions affects the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of income and expenses during the reporting period. Considering the sector in which the Group operates, the estimates made for determining long-term contract revenue and costs, and the relative work in progress, are especially relevant. Consequently, actual results may differ from these estimates due to the uncertainty surrounding the assumptions and conditions upon which the estimates are based.
The accounting estimates and significant judgements made by Management for the preparation of the condensed interim consolidated financial statements as of June 30, 2024 are influenced not only by the current macroeconomic situation, but also by the effects of the initiatives underway to mitigate the consequences of climate change and the potential impacts arising from the energy transition, which in the medium and long term may significantly affect the Group's business models, cash flows, financial position and financial and economic performance.
Please refer to the 2023 Annual Report for details of the accounting estimates and significant judgements made by the Management.

Macroeconomic scenario

The current scenario is characterised by a prolonged positive phase in Saipem's reference markets, in line with the expected growth in terms of macroeconomic indicators and overall energy demand. However, some continuing uncertainties on the geopolitical front (in particular, the Russia-Ukraine conflict and the Israeli-Palestinian crisis) and on the economic front, related to growing risks on global supply chains, have increased the risk of economic instability at global level, which has demanded further attention from Management in making accounting estimates and significant judgements. As a consequence, some areas of the financial statements may be influenced by recent events and macroeconomic circumstances, also in view of more uncertain estimates.
With regards to the increase of the price of oil and natural gas, the Company deems that the short-term volatility could impact the Group's results limitedly, given the nature of its activities, which are characterised by contracts with completion times over several years, depending on the complexity of the projects. In the longer term, an improvement in the external environment is

confirmed, driven by the multi-year growth phase in the Oil&Gas market and the consolidation of opportunities in energy transition and clean technologies.
With regard to the Group's projects that involved the operations in Russia and/or with Russian customers, there are no remaining activities and the related contractual relations with customers have been concluded (some of which are in the process of formalisation) in compliance with the applicable regulations.
The Company confirms that it conducts its operations in relation to the Russian Federation in full compliance with the provisions established by the national and international institutions.
It should be noted that there are no activities managed by Saipem, nor personnel in any Ukrainian territory affected by the conflict.
In line with the previous plans, the 2024-2027 Strategic Plan does not envisage the acquisition of new contracts in Russia.
With regard to the operations in Israeli territory, Saipem has a contract in place for the construction of an ammonia production plant for a local customer, for which the engineering and procurement activities are nearing completion. Following the initiation of the civil and mechanical construction activities, the execution of the on-site work was slowed down by the consequences of the events of October 7, 2023 connected to the conflict between the state of Israel and Hamas. In agreement with the customer, the work is continuing to the extent possible under the circumstances.

Climate change effects

Climate change and the transition to a low-carbon economy are having an increasing impact on the global economy and the energy sector.
The Saipem Group, world leader in the engineering and construction of large projects in the energy and infrastructure sectors, both offshore and onshore, aims at being a protagonist of the energy transition:
- by supporting the decarbonisation process of its clients and proposing solutions to reduce their carbon footprint such as low impact technologies. In particular, the Group has proven experience in the construction of fixed offshore installations in the Offshore Wind sector, with a series of completed projects, as well as a series of ready-to-market technologies regarding floating wind, carbon capture, biofuels and the production of green fertilisers;
- by reducing its carbon footprint improving the efficiency of its assets and activities, approaching the use of alternative fuels, pursuing the electrification and increasing the use of renewable energy, as required by the Net Zero plan.

The Group is nonetheless aware that these changes can have a direct and indirect impact on its business activities and consequently on its consolidated financial statements, in terms of results and the value of its assets and liabilities.
The risks related to climate change, to which Saipem Group's activities are inherently exposed, can be classified into the following categories:
- physical risks, i.e., risks arising from physically observable climatic phenomena (e.g., flooding of construction sites, worsening weather and sea conditions in the offshore operating areas);
- transition risks, i.e., risks arising from the evolution to a low-carbon economy. These risks are classified into: (i) technological risks, relating to the potential acquisition of projects with the use of new technologies and potential impact on operating costs in the execution of transition projects; (ii) regulatory risks, related to new laws and regulations with which Saipem must readily comply and which may lead to higher operating costs; (iii) market risks, in terms of lack of business opportunities due to difficulties in accessing bank guarantees.

For details, please refer to the "Net Zero Programme" and "Climate-related risks and opportunities" sections of the Consolidated Non-Financial Statements included in the Annual Report 2023.
Significant accounting estimates and judgements made by Management in preparing the condensed interim consolidated financial statements could be affected by actions taken to limit the effects of climate change. Climate risks may in fact affect the recoverable amount of property, plant and equipment and the Group's goodwill; therefore, the energy transition may reduce the expected useful life of assets used in the oil and gas industry, thereby accelerating the depreciation expense of assets employed in this sector.
Saipem has considered the potential consequences of the energy transition on the recoverable value of CGUs in the medium to long term, which will have an impact first and foremost on the increased demand for energy from renewable sources. In this regard, the Strategic Plan 2024-2027 envisages a shift in the portfolio mix towards non-oil-related activities, with acquisitions of green projects linked to the energy transition accounting for approximately 34% (compared to approximately 25% in the previous Strategic Plan 2023-2026). Additionally, there is a pathway of investments in new enabling technologies, including Blue Solutions, Renewable Refining, CO_2 Management, and Offshore Wind. Furthermore, in line with the previous Strategic Plan, this Plan envisages significant acquisitions in the natural gas business, which is considered one of the elements that will support the gradual evolution towards sustainable energy sources. Finally, the energy transition envisages in the long term the elimination of coal as an energy source, a sector in which the Group does not operate. It should however be noted that the speed of adoption of technologies related to the energy transition, especially in certain areas of the world, may be slower than current forecasts; the slowdown could be mitigated by the Group's proven ability to continue operating in its traditional business.
The Group's exposure to non-oil sectors is growing, valuing its traditional assets where possible; at the same time, it is expected that part of the assets will be fully depreciated in the medium to long term, a period in which demand for services in the oil sector is expected to remain significant.
Management will continue to review demand assumptions as the energy transition process progresses, which could lead to specific impairments of its non-financial assets in the future.
In addition, new laws or regulations introduced in response to climate change may give rise to new obligations that did not previously exist; consequently, Management monitors the evolution of relevant regulations in order to assess whether such obligations, even implicit ones, require the recognition of specific provisions or otherwise the disclosure of related contingent liabilities.

3 Changes to accounting standards

The following are the amendments to the international accounting standards endorsed by the European Commission, which were already included in the 2023 Annual Report, which are effective from January 1, 2024, in addition to the amendments not yet endorsed by the European Commission, some of which issued in the first half of the current year.

Accounting standards and interpretations issued by the IASB/IFRIC endorsed by the European Commission and applicable as of January 1, 2024

Regulation No. 2023/2579, issued by the European Commission on November 20, 2023, endorsed the amendments to IFRS 16 "Lease Liability in a Sale and Leaseback", which specifies that the seller-lessee must assess the asset with right of use arising from a sale and leaseback transaction on the basis of the percentage of the previous accounting value of the asset held by the seller-lessee. Consequently, in a sale and leaseback transaction, the seller-lessee enters only the amount of any profits or losses relating to the rights transferred to the buyer-lessor. Therefore, the initial value of the lease liabilities arising from a sale and leaseback transaction is a consequence of the way in which the seller-lessee measures the asset with right of use and the profit or loss recorded on the date of the transaction.

Regulation No. 2023/2822, issued by the European Commission on December 19, 2023, endorsed the amendments to IAS 1 "Classification of Liabilities as Current or Non-current" and "Non-Current Liabilities with Covenants". The amendments provide clarification regarding the classification of liabilities as current or non-current, specifying when there is a right to defer settlement of the liability for at least 12 months after the reporting date and clarifying the concept of extinguishment. They also specify how an entity should classify a liability arising from a loan arrangement with covenants as current or non-current, and define the information to be provided when an entity has loan arrangements with covenants that may require the loan arrangement to become due within 12 months of the reporting period. Lastly, they provide details regarding the disclosure to be provided regarding subsequent non-adjusting events.

Regulation No. 2024/1317, issued by the European Commission on May 15, 2024, endorsed the amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements", aimed at introducing disclosure requirements on supplier finance arrangements (SFAs, also referred to as "supply chain finance", "payables finance", or "reverse factoring") that allow the entity with extended payment terms with its suppliers, or the entity's suppliers with early payment with respect to the invoice due date, and allow investors to assess the effect of those arrangements on the company's liabilities, cash flows and exposure to liquidity risk.

The above amendments to the accounting standards did not have any significant effect on the Saipem Group's financial statements.

Accounting standards and interpretations issued by the IASB/IFRIC not yet endorsed by the European Commission

On August 15, 2023, the IASB published "Amendment to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability" through which it specifies when a currency is exchangeable into another currency and, consequently, when it is not, how an entity determines the exchange rate to be applied when a currency is not exchangeable, and the information to be provided. The amendment shall be effective on or after January 1, 2025.

On April 9, 2024, the IASB published IFRS 18 "Presentation and Disclosure in Financial Statements", which will replace IAS 1 "Presentation of Financial Statements" with the aim of improving the way information is disclosed in financial statements. Specifically, under IFRS 18, entities will be required to: (i) present defined totals and subtotals and classify revenues and expenses into different categories; (ii) provide information on management-defined performance measures (MPMs); and (iii) strengthen the requirements for the aggregation and disaggregation of information, with the introduction of aggregation and disaggregation principles and disclosure requirements for specific expenses by nature. The new document shall be effective on or after January 1, 2027.

On May 9, 2024, the IASB published IFRS 19 "Subsidiaries without Public Accountability: Disclosures", which enables simplified reporting systems and processes for companies, reducing the cost of preparing financial statements for eligible subsidiaries while maintaining the usefulness of those financial statements for their users. Subsidiaries that apply IFRS for SMEs or national accounting standards in preparing their financial statements can apply IFRS 19, which allows them to keep only one set of accounting records to meet the needs of both the parent company and users of the financial statements and to provide reduced disclosures better suited to the needs of users of the subsidiaries' financial statements. The new document shall be effective on or after January 1, 2027.

On May 30, 2024, the IASB published "Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments" in response to feedback received in the post-implementation review of the classification and measurement requirements of IFRS 9 "Financial Instruments and Related Requirements" of IFRS 7 "Financial Instruments: Disclosures". The document amended the requirements for the settlement of financial liabilities through an electronic payment system and the assessment of contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG) characteristics.
The disclosure requirements for investments in equity instruments measured at fair value through OCI were also amended. The amendments shall be effective on or after January 1, 2026.

The Saipem Group is currently analysing the above accounting standards and assessing whether their adoption will have a significant impact on the financial statements.

4 Consolidation scope as of June 30, 2024

Parent company

Company	Registered office	Currency	Share capital	Shareholders	% owned	% consolidated by Saipem	Consolidation method or accounting policy (*)
Saipem SpA	Milan	EUR	501,669,790.83	Eni SpA	21.19		
				CDP Equity SpA	12.82		
				Saipem SpA	1.15		
				Norges Bank	3.08		
				Third parties	61.76		

Subsidiaries

Italy

Company	Registered office	Currency	Share capital	Shareholders	% owned	% consolidated by Saipem	Consolidation method or accounting policy (*)
Saipem Offshore Construction SpA	San Donato Milanese	EUR	20,000,000	Saipem SpA	100.00	100.00	F.C.
Servizi Energia Italia SpA	Milan	EUR	20,000,000	Saipem SpA	100.00	100.00	F.C.
Smacemex Scarl (**)	San Donato Milanese	EUR	10,000	Saipem SpA	60.00	60.00	Co.
				Third parties	40.00		
SnamprogettiChiyoda sas di Saipem SpA	Milan	EUR	10,000	Saipem SpA	99.90	99.90	F.C.
				Third parties	0.10		

Outside Italy

Company	Registered office	Currency	Share capital	Shareholders	% owned	% consolidated by Saipem	Consolidation method or accounting policy (*)
Andromeda Consultoria Técnica e Representações Ltda	Rio de Janeiro (Brazil)	BRL	20,494,210	Saipem SpA	99.00	100.00	F.C.
				Snamprogetti Netherlands BV	1.00		
Boscongo SA	Pointe-Noire (Congo)	XAF	6,190,600,500	Saipem SA	100.00	100.00	F.C.
ERS - Equipment Rental & Services BV	Schiedam (Netherlands)	EUR	90,760	Saipem International BV	100.00	100.00	F.C.
Global Projects Services AG	Zurich (Switzerland)	CHF	5,000,000	Saipem International BV	100.00	100.00	F.C.
Moss Maritime AS	Lysaker (Norway)	NOK	40,000,000	Saipem International BV	100.00	100.00	F.C.
North Caspian Service Co	Almaty (Kazakhstan)	KZT	375,350,000	Saipem International BV	100.00	100.00	F.C.
Petrex SA	Lima (Peru)	PEN	469,359,045	Saipem International BV	99.99	100.00	F.C.
				Snamprogetti Netherlands BV	(..)		
PT Saipem Indonesia	Jakarta (Indonesia)	USD	372,778,100	Saipem International BV	99.99	99.99	F.C.
				Third parties	0.01		
Saimexicana SA de Cv	Delegacion Cuauhtemoc (Mexico)	MXN	6,424,970,342	Saipem SA	99.99	100.00	F.C.
				Saipem America Inc	(..)		
				Saipem Projects France SA	(..)		
				Snamprogetti Netherlands BV	(..)		
Saipem (Beijing) Technical Services Co Ltd	Beijing (China)	USD	6,700,000	Saipem International BV	100.00	100.00	F.C.
Saipem (Malaysia) Sdn Bhd (**) (***)	Petaling Jaya (Malaysia)	MYR	88,233,500	Saipem International BV	100.00	100.00	F.C.
Saipem (Nigeria) Ltd	Lagos (Nigeria)	NGN	259,200,000	Saipem International BV	97.00	97.00	F.C.
				Third parties	3.00		
Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda	Caniçal (Portugal)	EUR	299,300,000	Saipem International BV	100.00	100.00	F.C.
Saipem America Inc	Wilmington (USA)	USD	1,000	Saipem International BV	100.00	100.00	F.C.

(*) F.C. = full consolidation, J.O. = joint operation, E.M. = equity method, Co. = cost method
(**) in liquidation
(***) Dormant during the year

Company	Registered office	Currency	Share capital	Shareholders	% owned	% consolidated by Saipem	Consolidation method or accounting policy (*)
Saipem Argentina de Perforaciones, Montajes y Proyectos Sociedad Anónima, Minera, Industrial, Comercial y Financiera (**) (***)	Buenos Aires (Argentina)	ARS	1,805,300	Saipem International BV Third parties	99.90 0.10	99.90	Co.
Saipem Asia Sdn Bhd	Petaling Jaya (Malaysia)	MYR	238,116,500	Saipem International BV	100.00	100.00	F.C.
Saipem Australia Pty Ltd	West Perth (Australia)	AUD	686,800,001	Saipem International BV	100.00	100.00	F.C.
Saipem Canada Inc	Montreal (Canada)	CAD	100,100	Saipem International BV	100.00	100.00	F.C.
Saipem Contracting Algérie SpA	Algiers (Algeria)	DZD	1,101,000	Saipem Projects France SA Saipem SA Third parties	99.46 0.09 0.45	100.00	F.C.
Saipem Contracting Netherlands BV	Amsterdam (Netherlands)	EUR	20,000	Saipem International BV	100.00	100.00	F.C.
Saipem Contracting Nigeria Ltd	Lagos (Nigeria)	NGN	827,000,000	Saipem International BV Snamprogetti Netherlands BV	99.99 (..)	100.00	F.C.
Saipem do Brasil Serviçõs de Petroleo Ltda	Rio de Janeiro (Brazil)	BRL	469,661,512	Saipem International BV Third parties	99.99 (..)	100.00	F.C.
Saipem Drilling Norway AS	Stavanger (Norway)	NOK	120,000	Saipem International BV	100.00	100.00	F.C.
Saipem East Africa Ltd (**)	Kampala (Uganda)	UGX	3,791,000,000	Saipem International BV Snamprogetti Netherlands BV	51.00 49.00	100.00	F.C.
Saipem Finance International BV	Amsterdam (Netherlands)	EUR	1,000,000	Saipem International BV Saipem SpA	75.00 25.00	100.00	F.C.
Saipem Guyana Inc	Georgetown (Guyana)	GYD	200,000	Saipem Ltd	100.00	100.00	F.C.
Saipem India Projects Private Ltd	Chennai (India)	INR	526,902,060	Saipem SA Third parties	99.99 (..)	100.00	F.C.
Saipem Ingenieria Y Construcciones SLU	Madrid (Spain)	EUR	80,000	Saipem International BV	100.00	100.00	F.C.
Saipem International BV	Amsterdam (Netherlands)	EUR	172,444,000	Saipem SpA	100.00	100.00	F.C.
Saipem Ltd	Kingston upon Thames Surrey (United Kingdom)	EUR	1,107,500,000	Saipem International BV	100.00	100.00	F.C.
Saipem Luxembourg SA	Luxembourg (Luxembourg)	EUR	31,002	Saipem SpA	100.00	100.00	F.C.
Saipem Misr for Petroleum Services (S.A.E.)	Port Said (Egypt)	EUR	2,000,000	Saipem International BV ERS - Equipment Rental & Services BV Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda	99.92 0.04 0.04	100.00	F.C.
Saipem Moçambique Lda	Maputo (Mozambique)	MZN	535,075,000	Saipem SA Saipem International BV	99.98 0.02	100.00	F.C.
Saipem Norge AS	Stavanger (Norway)	NOK	100,000	Saipem International BV	100.00	100.00	F.C.
Saipem Romania Srl	Aricestii Rahtivani (Romania)	RON	29,004,600	Snamprogetti Netherlands BV Saipem International BV	99.00 1.00	100.00	F.C.
Saipem SA	Montigny le Bretonneux (France)	EUR	19,870,122	Saipem SpA Saipem International BV	99.99 (..)	100.00	F.C.
Saipem Singapore Pte Ltd	Singapore (Singapore)	SGD	431,090,000	Saipem SA	100.00	100.00	F.C.
Saiwest Ltd	Accra (Ghana)	GHS	937,500	Saipem SA Third parties	49.00 51.00	49.00	F.C.
Sajer Iraq Co for Petroleum Services, Trading, General Contracting & Transport Llc	Baghdad (Iraq)	IQD	300,000,000	Saipem International BV Third parties	60.00 40.00	60.00	F.C.
Saudi Arabian Saipem Ltd	Dhahran (Saudi Arabia)	SAR	155,000,000	Saipem International BV	100.00	100.00	F.C.
Sigurd Rück AG	Zurich (Switzerland)	CHF	25,000,000	Saipem International BV	100.00	100.00	F.C.
Snamprogetti Engineering & Contracting Co Ltd	Dhahran (Saudi Arabia)	SAR	10,000,000	Snamprogetti Netherlands BV	100.00	100.00	F.C.
Snamprogetti Netherlands BV	Amsterdam (Netherlands)	EUR	203,000	Saipem SpA	100.00	100.00	F.C.
Snamprogetti Saudi Arabia Co Ltd Llc	Dhahran (Saudi Arabia)	SAR	10,000,000	Saipem International BV Snamprogetti Netherlands BV	95.00 5.00	100.00	F.C.
Saipem Projects France SA	Montigny le Bretonneux (France)	EUR	37,000	Saipem SA Saipem International BV	99.99 (..)	100.00	F.C.

(*) F.C. = full consolidation, J.O. = joint operation, E.M. = equity method, Co. = cost method
(**) in liquidation
(***) Dormant during the year

Associates and jointly controlled companies

Italy

Company	Registered office	Currency	Share capital	Shareholders	% owned	% consolidated by Saipem	Consolidation method or accounting policy (*)
ASG Scarl	San Donato Milanese	EUR	50,864	Saipem SpA	55.41	55.41	E.M.
				Third parties	44.59		
CCS JV Scarl ∆	San Donato Milanese	EUR	150,000	Servizi Energia Italia SpA	75.00	75.00	E.M.
				Third parties	25.00		
CEPAV (Consorzio Eni per l'Alta Velocità) Due	Milan	EUR	51,646	Saipem SpA	59.09	59.09	E.M.
				Third parties	40.91		
CEPAV (Consorzio Eni per l'Alta Velocità) Uno	Milan	EUR	51,646	Saipem SpA	50.36	50.36	E.M.
				Third parties	49.64		
Consorzio Florentia ∆	Parma	EUR	10,000	Saipem SpA	49.00	49.00	E.M.
				Third parties	51.00		
Consorzio F.S.B. ∆	Venice - Marghera	EUR	15,000	Saipem SpA	29.05	29.05	Co.
				Third parties	70.95		
Consorzio Sapro ∆	San Giovanni Teatino	EUR	10,329	Saipem SpA	51.00	51.00	Co.
				Third parties	49.00		
La Bozzoliana Scarl ∆	Parma	EUR	10,000	Saipem SpA	30.00	30.00	E.M.
				Third parties	70.00		
La Catulliana Scarl ∆	Parma	EUR	10,000	Saipem SpA	49.00	49.00	E.M.
				Third parties	51.00		
Puglia Green Hydrogen Valley - PGHyV Srl	Bari	EUR	2,750,471	Saipem SpA	10.00	10.00	E.M.
				Third parties	90.00		
Rosetti Marino SpA	Ravenna	EUR	4,000,000	Saipem SA	20.00	20.00	E.M.
				Third parties	80.00		
SCD JV Scarl ∆	Milan	EUR	100,000	Servizi Energia Italia SpA	60.00	60.00	E.M.
				Third parties	40.00		
Ship Recycling Scarl (**) ∆	Genoa	EUR	10,000	Saipem SpA	51.00	51.00	J.O.
				Third parties	49.00		

Outside Italy

Company	Registered office	Currency	Share capital	Shareholders	% owned	% consolidated by Saipem	Consolidation method or accounting policy (*)
Gygaz Snc	Nanterre (France)	EUR	10,000	Saipem Projects France SA	7.50	7.50	E.M.
				Third parties	92.50		
Hazira Cryogenic Engineering & Construction Management Private Ltd ∆	Mumbai (India)	INR	500,000	Saipem SA	55.00	55.00	E.M.
				Third parties	45.00		
KCA Deutag International Ltd	St. Helier (Jersey)	USD	116,536	Saipem International BV	9.96	10.00	E.M.
				Third parties	90.04		
KWANDA Suporte Logistico Lda	Luanda (Angola)	AOA	25,510,204	Saipem SA	49.00	49.00	E.M.
				Third parties	51.00		
Petromar Lda ∆	Luanda (Angola)	USD	357,143	Saipem SA	70.00	70.00	E.M.
				Third parties	30.00		
PSS Netherlands BV ∆	Leiden (Netherlands)	EUR	30,000	Saipem SpA	36.00	36.00	E.M.
				Third parties	64.00		
Sabella SA (**)	Quimper (France)	EUR	12,946,722	Saipem SA	8.96	8.96	E.M.
				Third parties	91.04		
Saipem Dangote E&C Ltd (***) ∆	Victoria Island - Lagos (Nigeria)	NGN	100,000,000	Saipem International BV	49.00	49.00	E.M.
				Third parties	51.00		
Saipem Nasser Saeed Al-Hajri Contracting Co Llc ∆	Dhahran (Saudi Arabia)	SAR	7,500,000	Saipem International BV	50.00	50.00	E.M.
				Third parties	50.00		
Saipem Taqa Al Rushaid Fabricators Co Ltd	Dammam (Saudi Arabia)	SAR	40,000,000	Saipem International BV	40.00	40.00	E.M.
				Third parties	60.00		
Saipon Snc ∆ †	Montigny le Bretonneux (France)	EUR	20,000	Saipem SA	60.00	60.00	E.M.
				Third parties	40.00		
SAME Netherlands BV ∆	Amsterdam (Netherlands)	EUR	50,000	Servizi Energia Italia SpA	58.00	58.00	E.M.
				Third parties	42.00		
Saren BV ∆	Amsterdam (Netherlands)	EUR	20,000	Servizi Energia Italia SpA	50.00	50.00	E.M.
				Third parties	50.00		
Société pour la Réalisation du Port de Tanger Méditerranée (***) ∆	Anjra (Morocco)	EUR	33,000	Saipem SA	33.33	33.33	E.M.
				Third parties	66.67		

(*) F.C. = full consolidation, J.O. = joint operation, E.M. = equity method, Co. = the cost method
(**) liquidation
(***) Dormant during the year
∆ Jointly controlled companies
† Non relevant joint operation.

Company	Registered office	Currency	Share capital	Shareholders	% owned	% consolidated by Saipem	Consolidation method or accounting policy (*)
Southern Gas Constructors Ltd (**) Δ	Lagos (Nigeria)	NGN	10,000,000	Saipem International BV Third parties	50.00 50.00	50.00	E.M.
Sud-Soyo Urban Development Lda (***) Δ	Soyo (Angola)	AOA	20,000,000	Saipem SA Third parties	49.00 51.00	49.00	E.M.
TMBYS SAS (***) Δ	Guyancourt (France)	EUR	30,000	Saipem SA Third parties	33.33 66.67	33.33	E.M.
TSGI Mühendislik İnşaat Ltd Şirketi Δ	Istanbul (Turkey)	TRY	10,000	Saipem Ingenieria Y Construcciones, SLU Third parties	33.33 66.67	33.33	E.M.
TSKJ II - Construções Internacionais, Sociedade Unipessoal, Lda	Funchal (Portugal)	EUR	5,000	TSKJ - Serviços de Engenharia Lda	100.00	25.00	E.M.
TSKJ - Serviços de Engenharia Lda	Funchal (Portugal)	EUR	5,000	Snamprogetti Netherlands BV Third parties	25.00 75.00	25.00	E.M.

As of June 30, 2024, the investees of Saipem SpA were broken down as follows:

	Subsidiaries			Associates and jointly controlled companies		
	Italy	Outside Italy	Total	Italy	Outside Italy	Total
Subsidiaries/Joint operations and their participating interests	**3**	**44**	**47**	**1**	**-**	**1**
Full consolidation	3	44	47	-	-	-
Consolidated as joint operations	-	-	-	1	-	1
Participating interests held by consolidated companies (1)	**1**	**1**	**2**	**12**	**20**	**32**
Accounted for using the equity method	-	-	-	10	20	30
Accounted for using the cost method	1	1	2	2	-	2
Total companies	**4**	**45**	**49**	**13**	**20**	**33**

(1) The investments held by subsidiaries/joint operation accounted for using the equity method or the cost method concern investees whose consolidation would not have a material impact

(*) F.C. = full consolidation, J.O. = joint operation, E.M. = equity method, Co. = cost method
(**) in liquidation.
(***) Dormant during the year.
Δ Jointly controlled companies.

Changes in the consolidation scope during the half year

In first half of 2024, Saipem Group's scope of consolidation changed as follows with respect to the 2023 Annual Report.

New incorporations, disposals, liquidations, mergers, changes in amount held or consolidation method:
- the company **Sabella SA**, accounted for using the equity method, was placed in liquidation;
- the company **Southern Gas Constructors Ltd**, accounted for the equity method, was placed in liquidation;
- the company **Denuke Scarl**, previously consolidated using the full consolidation method, was removed from the Register of Companies;
- the company **Gydan Yard Management Services (Shanghai) Co Ltd**, previously accounted for using the equity method, was placed in liquidation and subsequently removed from the Register of Companies;
- the company **Saipem (Nigeria) Ltd**, following the purchase by Saipem International BV of an additional shareholding from third parties, is held as follows: 97% owned by Saipem International BV and 3% owned by third parties;
- the company **International Energy Services SpA**, previously consolidated using the full consolidation method, was removed from the Register of Companies;
- the company **Saipem Contracting Algérie SpA**, following the transactions carried out on the share capital, is held as follows: 99.46% owned by Saipem Projects France SA, 0.09% owned by Saipem SA, and 0.45% owned by third parties;
- the company **Saipem Contracting Nigeria Ltd**, following the purchase by Saipem International BV of all the shares held by third parties and the subsequent transfer of a shareholding by Saipem International BV to Snamprogetti Netherlands BV, is held as follows: Saipem International BV 99.9999% and Snamprogetti Netherlands BV 0.0001%;
- the company **Saipem - Hyperion Eastmed Engineering Ltd**, previously accounted for using the equity method, was sold to third parties.

Changes in company name or changes in the investee with no impact on the consolidation:
- the company Sofresid SA, consolidated using the full consolidation method, changed its name to **Saipem Projects France SA**.

5 Cash and cash equivalents

Cash and cash equivalents amounted to €2,148 million, an increase of €12 million compared to December 31, 2023 (€2,136 million).
Cash and cash equivalents which – at the end of the first half of the year were denominated in euros for 52%, in US dollars for 29%, and in other currencies for 19% – were remunerated during the half year at an average rate of 2.16%. Cash and cash equivalents included cash and cash on hand of €2 million (€1 million as of December 31, 2023).
As of June 30, 2024, cash and cash equivalents included the following, for a total of €883 million: (i) cash and cash equivalents of €718 million in current accounts of projects executed in partnership or joint venture; (ii) cash and cash equivalents of €162 million in current accounts denominated in currencies subject to movement and/or convertibility restrictions; (iii) cash and cash equivalents amounting to €3 million in current accounts frozen or subject to restrictions.
The breakdown of cash and cash equivalents of Saipem and other Group companies as of June 30, 2024 by geographical segment (based on the country of domicile of the relevant company) was as follows:

(€ million)	June 30, 2024	Dec. 31, 2023
Italy	1,026	870
Rest of Europe	225	241
CIS	6	2
Middle East	524	523
Far East	142	195
North Africa	5	6
Sub-Saharan Africa	104	88
Americas	116	211
Total	**2,148**	**2,136**

6 Financial assets measured at fair value through OCI (Other Comprehensive Income)

Financial assets measured at fair value through OCI, amounting to €86 million (€86 million as of December 31, 2023), can be broken down as follows:

(€ million)	June 30, 2024	Dec. 31, 2023
Securities for non-operating purposes		
Listed bonds issued by sovereign states/supranational institutions	5	5
Listed bonds issued by industrial companies	81	81
Total	**86**	**86**

Listed bonds issued by sovereign states/supranational institutions, amounting to €5 million as of June 30, 2024, were as follows:

(€ million)	Notional amount	Fair value	Nominal rate of return (%)	Maturity	Standard & Poor's rating
Fixed rate bonds					
Eurobond	5	5	0.00	2026	AAA
Total	**5**	**5**			

Listed bonds issued by industrial companies, amounting to €81 million as of June 30, 2024, were as follows:

(€ million)	Notional amount	Fair value	Nominal rate of return (%)	Maturity	Standard & Poor's rating
Fixed rate bonds					
Listed bonds issued by industrial companies	85	81	0.13-3.64	2024-2028	AA/BBB
Total	**85**	**81**			

The fair value of bonds is determined on the basis of market prices. The fair value is the Level 1 of the fair value hierarchy defined by IFRS 13, that is, based on quotations in active markets. The bonds measured at fair value through OCI are held both to collect contractual cash flows and for the cash flows deriving from the possible sale of the instrument before contractual maturity.

Listed bonds issued by sovereign states/supranational institutions and by industrial companies held by the Group fall within the scope of analysis for the determination of expected losses.
Given the high creditworthiness of the issuers (all with "investment grade" ratings), the impact of expected losses on the bonds in question as of June 30, 2024 is irrelevant.

7 Other financial assets

Other current financial assets

Other current financial assets of €370 million (€387 million as of December 31, 2023) were broken down as follows:

(€ million)	June 30, 2024	Dec. 31, 2023
Financial receivables for operating purposes	1	1
Financial receivables for non-operating purposes	369	386
Total	**370**	**387**

Financial receivables for operating purposes concerned receivables claimed by Saipem SpA against Eni SpA.
Financial receivables for non-operating purposes of €369 million (€386 million as of December 31, 2023) related almost entirely to the portion of cash and cash equivalents pertaining to the subsidiary Servizi Energia Italia SpA recognised mainly in the financial statements of the companies in which it holds investments, which are: (i) CCS JV Scarl, which is carrying out a project in Mozambique (€291 million) and (ii) SCD JV Scarl, which is working on a project in Nigeria (€73 million).
Other current financial assets from related parties are detailed in Note 41 "Related party transactions".

Other non-current financial assets

Other non-current financial assets for non-operating purposes, equal to €1 million (€1 million as of December 31, 2023), included the amounts of two blocked accounts at the Algerian branches of banks of the subsidiary Saipem Contracting Algérie SpA (€1 million before discounting), classified as other non-current financial assets, due to the prolonged proceedings in Algeria.

8 Trade receivables and other assets

Trade receivables and other assets of €2,909 million (€2,441 million as of December 31, 2023) can be broken down as follows:

(€ million)	June 30, 2024	Dec. 31, 2023
Trade receivables	2,332	1,906
Advances for services	367	340
Other receivables	210	195
Total	**2,909**	**2,441**

Trade receivables of €2,332 million increased by €426 million compared to December 31, 2023.
Receivables are stated net of a loss allowance of €700 million, whose movements are shown below:

(€ million)	Dec. 31, 2023	Accruals	Utilisations	Exchange differences	Other changes	June 30, 2024
Trade receivables	682	8	(6)	16	.	700
Other receivables	6	-	-	-	-	6
Total	**688**	**8**	**(6)**	**16**	**-**	**706**

The credit exposure to the top five clients, who are the leading oil companies in the reference sector, is in line with the Group's operations and represents around 30% of total trade receivables.
The Group continues to pay special attention to monitoring receipts.
The recoverability of trade receivables is checked using the "expected credit loss model" in accordance with IFRS 9.
As of June 30, 2024, the effect of expected losses on trade receivables, determined on the basis of clients' creditworthiness, amounted to €105 million (€101 million as of December 31, 2023), which are included in the total loss allowance of €700 million (€682 million as of December 31, 2023).
As of June 30, 2024, Saipem had factored €89 million in unexpired trade receivables on a non-recourse, non-notification basis (€29 million as of December 31, 2023). Saipem SpA is responsible for managing the collection of the receivables assigned without notice and for transferring the sums collected to the factors.
Trade receivables included retentions guaranteeing contracts of €162 million (€141 million as of December 31, 2023), of which €65 million due within twelve months and €97 million beyond twelve months.

As of June 30, 2024, there were no non-written down trade receivables relating to projects involved in litigation as at December 31, 2023.
Advances for services not yet rendered amounted to €367 million as of June 30, 2024, relating almost entirely to advances to suppliers on ongoing operational projects, and were up by €27 million compared to December 31, 2023.
Other receivables of €210 million were broken down as follows:

(€ million)	June 30, 2024	Dec. 31, 2023
Receivables from:		
- employees	39	44
- guarantee deposits	16	15
- social security institutions	6	4
Other	149	132
Total	**210**	**195**

Other receivables of €210 million are shown net of the impairment allowance of €6 million.
Trade and other receivables from related parties are detailed in Note 41 “Related party transactions”.
The fair value of trade and other receivables did not differ significantly from their carrying amount due to the short period of time elapsed between their date of recognition and their due date.

9 Inventories

Inventories amounted to €279 million (€256 million as of December 31, 2023) and increased by €23 million.

(€ million)	June 30, 2024	Dec. 31, 2023
Raw and ancillary materials and consumables	279	256
Total	**279**	**256**

“Raw and ancillary materials and consumables” include spare parts for drilling and construction activities, as well as consumables for internal use and not for sale. The item is stated net of an impairment provision of €96 million, the movements in which are detailed below.

(€ million)	Dec. 31, 2023	Accruals	Utilisations	Other changes	June 30, 2024
Impairment provision for raw and ancillary materials and consumables	96	18	(18)	-	96
Total	**96**	**18**	**(18)**	**-**	**96**

10 Contract assets

Contract assets of €2,265 million (€1,925 million as of December 31, 2023) consist of the following:

(€ million)	June 30, 2024	Dec. 31, 2023
Contract assets (from work in progress)	2,276	1,936
Impairment provision for contract assets (from work in progress)	(11)	(11)
Total	**2,265**	**1,925**

Contract assets (from work in progress) amounted to €2,276 million, increasing by €340 million due to the recognition of revenue based on the progress of work to be invoiced in 2024 for €632 million, plus the foreign exchange impact of €2 million; this amount was partially offset by €286 million from the recognition of milestones by clients, plus €8 million in impairment losses deriving from the continuous legal and commercial monitoring of claim and change order amounts considered over the whole life of the contract.
The effects relative to IFRS 9 applied to contract assets amounted to €11 million.

11 Tax assets and liabilities

Current income tax assets and liabilities

Current income tax assets and liabilities consisted of the following:

	June 30, 2024		Dec. 31, 2023	
(€ million)	Assets	Liabilities	Assets	Liabilities
Italian tax authorities	66	-	74	-
Foreign tax authorities	329	76	311	74
Total current income tax assets and liabilities	**395**	**76**	**385**	**74**

The increase of current income tax assets and liabilities pertained entirely to relations with foreign tax authorities.

Other current income tax assets and liabilities

Other current income tax assets and liabilities consisted of the following:

	June 30, 2024		Dec. 31, 2023	
(€ million)	Assets	Liabilities	Assets	Liabilities
Italian tax authorities	8	26	10	16
Foreign tax authorities	134	113	136	176
Total other current income tax assets and liabilities	**142**	**139**	**146**	**192**

Other current tax assets from Italian tax authorities amounting to €8 million (€10 million as of December 31, 2023) relate to VAT assets for €2 million (€2 million as of December 31, 2023) and to indirect tax assets for €6 million (€8 million as of December 31, 2023).
Other current tax assets from foreign tax authorities amounting to €134 million (€136 million as of December 31, 2023) relate to VAT assets for €93 million (€117 million as of December 31, 2023) and to indirect tax assets for €41 million (€19 million as of December 31, 2023).
Other current tax liabilities from Italian tax authorities amounting to €26 million (€16 million as of December 31, 2023) relate entirely to other indirect tax liabilities (€13 million as of December 31, 2023).
Other current tax liabilities from foreign tax authorities amounting to €113 million (€176 million as of December 31, 2023) relate to VAT liabilities for €84 million (€140 million as of December 31, 2023) and to indirect tax liabilities for €29 million (€36 million as of December 31, 2023).

Non-current income tax assets and liabilities

Non-current income tax assets and liabilities consisted of the following:

	June 30, 2024		Dec. 31, 2023	
(€ million)	Assets	Liabilities	Assets	Liabilities
Italian tax authorities	-	-	-	-
Foreign tax authorities	5	26	5	20
Total non-current income tax assets and liabilities	**5**	**26**	**5**	**20**

Non-current income tax assets relate to tax assets expected to be due in more than twelve months. Non-current income tax liabilities relate to assessments of tax treatments for which there are uncertainties in the application of existing regulations in the foreign countries where the Group operates. Indeed, the Group operates in numerous countries with complex tax laws, to which it adheres also thanks to the support of local tax consultants, adopting approaches based on maximum compliance with the existing tax legislation and established practice in the various foreign countries. As of the reporting date, it is reasonable to assume that no significant additional liabilities will arise beyond those already accounted for.

12 Other current assets

Other current assets of €199 million (€244 million as of December 31, 2023) were broken down as follows:

(€ million)	June 30, 2024	Dec. 31, 2023
Positive fair value of derivative financial instruments	12	64
Other assets	187	180
Total	**199**	**244**

The decrease in the positive fair value of the derivative financial instruments of €52 million was attributable mainly to the EUR/USD exchange rate, as well as the other principal currencies linked to the US dollar.
For information on the fair value of derivative financial instruments see Note 27 "Derivative financial instruments".

Other assets as of June 30, 2024 amounted to €187 million, an increase of €7 million compared to December 31, 2023, and consisted mainly of costs not attributable to the period relating to the preparation of vessels to be used on contracts, as well as insurance costs and lease contracts.
Other current assets from related parties are detailed in Note 41 “Related party transactions”.

13 Property, plant and equipment

Property, plant and equipment amounted to €2,964 million (€2,960 million as of December 31, 2023) and were made up as follows:

(€ million)	Property, plant and equipment
Gross value as of December 31, 2023	10,012
Depreciation and impairment losses as of December 31, 2023	7,052
Carrying amount as of December 31, 2023	**2,960**
Capital expenditure	192
Depreciation and amortisation	(170)
Net reversals of impairment losses	(21)
Disposals	-
Discontinued operations	-
Assets held for sale	-
Change in the consolidation scope	-
Business lines transactions	-
Exchange differences	4
Other changes	(1)
Carrying amount as of June 30, 2024	**2,964**
Gross value as of June 30, 2024	10,201
Depreciation and impairment losses as of June 30, 2024	(7,237)

Capital expenditure during the first half of 2024 amounted to €192 million (€472 million as of December 31, 2023) and mainly related to:
- €148 million in Asset Based Services: extraordinary maintenance and reinforcement of the vessels Saipem Constellation, Saipem 7000 and Castoro 10, and extraordinary maintenance and upgrading of existing vessels;
- €7 million in Energy Carriers: purchase and extraordinary maintenance of equipment;
- €37 million in Drilling Offshore: extraordinary maintenance and upgrading of vessels in particular on the semi-submersible platform Scarabeo 9 and upgrading of the rental jack-up Perro Negro 13, which has started operating in the Middle East as part of an already acquired contract.

No financial expenses were capitalised during the first half of the year.
Impairment losses of €21 million relate to plant and equipment.
Net exchange difference due to the translation of financial statements prepared in currencies other than euro, amounted to €4 million.
As of June 30, 2024, all property, plant and equipment were unencumbered by collateral.
Investment commitments for projects for which procurement contracts have already been placed, expiring in 2025 (including values relating to the second half of 2024), amount to €63 million.

Impairment

In line with the requirements of IAS 36, paragraph 12, the Group has carried out activities to identify the existence of trigger events both internal and external, in order to determine whether an impairment test needed to be performed as of June 30, 2024. In monitoring impairment indicators, the Group considers, among other factors, the relationship between the market capitalisation of Saipem SpA and the consolidated accounting equity. As of June 30, 2024, the market capitalisation was €2,014 million higher than the value of consolidated equity as of March 31, 2024. The impairment indicators defined by the methodology were also verified and additional trigger events were analysed, also considering the assumptions and results of impairment tests carried out at the end of 2023 financial year.
The analyses consisted of the following activities:
- the update of the market scenario;
- the analysis of operating performance and commercial prospects;
- the comparison between the cash flows of the 2024-2027 Strategic Plan ("Plan") and the most recently published reports of market consensus;
- the verification of the changes in market variables that affect the discount rate.

In the light of the analyses carried out, the Company has established that: (i) the market scenario is substantially in line with that taken as reference in the Plan; (ii) the operating performance and commercial prospects of the business lines are in line with the

Plan; (iii) the cash flows approved in the Plan are substantially confirmed and are in line with the consensus of analysts; (iv) changes in market variables are not sufficient to significantly affect the discount rate.
From the checks carried out, the only element of updating relates to the temporary suspension of some charter contracts of the Offshore Drilling vessels by the client Saudi Aramco, which resulted in the need for an impairment test on a single CGU of the Offshore Drilling business line, for which the Company verified its recoverable amount.
The impairment test performed as of June 30, 2024 did not show the need to make any impairment losses. Below is a table with the overall result of the test on the CGU of the Offshore Drilling on which the impairment test was carried out:

(€ million)	Offshore Drilling
Headroom/(Impairment Loss)	8

It should be noted that the recoverability of the carrying amounts of the CGU is assessed by comparing its carrying amount with its recoverable amount, determined on the basis of the value in use obtained by discounting the future cash flows generated by the CGU at the specific weighted average cost of capital ("WACC").
The future cash flows for estimating the recoverable amount of the individual Cash Generating Units (CGUs) are determined based on the best medium-term estimate that can be made by the Management and not contingent on the occurrence of a specific event.
In particular, the valuation scenario at the level of forecast flows considered the estimates updated by the Management based on the actuals as of June 30, 2024, and based on forecasts that consider the most recent operating assumptions.
Furthermore, for the Offshore Drilling CGU, for the period beyond the Strategic Plan horizon (on the basis of the residual economic and technical life of the individual assets, or, if earlier, the expected expiry date of the last cyclical maintenance), the following assumptions were considered: (i) long-term lease rates defined as part of the planning process, by the related business line, through an estimation process based on managerial evaluation that considers information (internal and external), inflated by 0.5% over the projection period; in particular the long-term lease rates of the Offshore Drilling CGU has been defined using the latest available reports processed by external sources, normally used by the business line as a reference benchmark; (ii) “normalised” idle days; (iii) estimated operating costs based on values of the last year of the plan, inflated by 0.5%; (iv) investments and related days of inactivity for cyclical maintenance and replacements estimated by the Business Line on the basis of the planned schedule for cyclical and intermediate maintenance.

The estimates, in accordance with the requirements of IAS 36, do not consider any cash inflows or outflows deriving from: (i) a future restructuring that has not yet been approved or to which the Group is not committed yet, or (ii) the improvement or optimisation of business performance on the basis of initiatives still to be undertaken or approved, or for which there is still no commitment towards third parties for the increase of production capacity with respect to current capacity.
The following table shows the discount rate calculated by the Company, and for completeness, also the rate used as of December 31, 2023:

(%)	WACC June 30, 2024	WACC Dec. 31, 2023
Offshore Drilling	8.2	8.8

Discount rates (WACCs) reflect market assessments of the time value of money and the systematic risks specific to the activities of the individual CGUs that are not reflected in the estimate of future cash flows and have been estimated for each business segment taking into account, taking into account: (i) a cost of debt estimated from the ten-year market base rates plus credit spread relating to a panel of operators assembled to take into consideration the specific business segment, (ii) the median leverage of the same panel of operators estimated on a multi-year historical horizon and (iii) the median beta of the securities of companies belonging to the same panel estimated on a multi-year historical horizon. Post-tax cash flows and discount rates were used as they produce outcomes which are equivalent to those resulting from a valuation using pre-tax cash flows and discount rates. The assumptions made take into account a level of interest rates, which reflects current market conditions, the risks of individual assets already included in the cash flow, as well as the long-term growth expectations in the businesses.

Sensitivity analysis of the CGUs referring to Offshore Drilling rigs

The key assumptions adopted in assessing the recoverable amounts of the CGUs representing the vessels related mainly to the operating result of the CGUs (based on a combination of various factors, including lease rates and exchange rates) and the discount rate applied to the cash flows.
The effects of the sensitivity analysis on the parameters used for the estimate will be analysed below on the recoverable amount of these CGUs.
Specifically, for the CGU tested for impairment:

- an increase in the discount rate of 1% would not produce impairment losses;
- a decrease in long-term day rates of 10% compared with the rates assumed in the plan projections would not produce impairment losses;
- a decrease in long-term day rates of 20% compared with the rates assumed in the plan projections would not produce impairment losses;

- an increase in long-term euro/dollar exchange rate of 0.1 compared to the scenario assumed in plan projections amounting to 1.3, would not produce any impairment loss.

14 Intangible assets

Intangible assets of €663 million (€666 million as of December 31, 2023) consist of the following:

(€ million)	Intangible assets with indefinite useful life	Other intangible assets with indefinite useful life	Total
Gross value as of December 31, 2023	300	-	300
Depreciation and impairment losses as of December 31, 2023	275	-	275
Carrying amount as of December 31, 2023	**25**	**641**	**666**
Capital expenditure	2	-	2
Depreciation and amortisation	(5)	-	(5)
Net reversals of impairment losses	-	-	-
Exchange differences and other changes	-	-	-
Carrying amount as of June 30, 2024	**22**	**641**	**663**
Gross value as of June 30, 2024	299	-	299
Depreciation and impairment losses as of June 30, 2024	277	-	277

Other intangible assets with indefinite useful life consist of goodwill amounting to €641 million recognised as the difference between the purchase price, including transaction costs, and the net assets at the respective dates of acquisition of control of Saipem SA (€631 million) and Moss Maritime Group (€10 million).
In order to determine the recoverable amount, goodwill has been allocated to the following CGUs:

(€ million)	June 30, 2024	Dec. 31, 2023
Asset Based Services	403	403
Energy Carriers	228	228
Robotics & Industrialized Solutions	10	10
Total	**641**	**641**

15 Right-of-Use assets, lease assets and lease liabilities

The movements during the period of the "Right-of-Use" assets, lease financial assets and liabilities as of June 30 are shown as follows:

(€ million)	Right-of-Use assets	Lease assets Current	Lease assets Non-current	Lease liabilities Current	Lease liabilities Non-current
June 30, 2024					
Opening balance	**428**	**98**	**155**	**299**	**431**
Increases	161	-	3	-	146
Decreases and cancellations	(1)	(51)	-	(152)	(4)
Depreciation and amortisation	(112)	-	-	-	-
Net reversals of impairment losses	(2)	-	-	-	-
Exchange differences	1	1	3	5	7
Interest	-	9	-	28	-
Other changes	-	36	(36)	141	(141)
Closing balance	**475**	**93**	**125**	**321**	**439**
Dec. 31, 2023					
Opening balance	**258**	**26**	**57**	**139**	**264**
Increases	312	-	195	-	499
Decreases and cancellations	(18)	(35)	-	(182)	(18)
Depreciation and amortisation	(122)	-	-	-	-
Net reversals of impairment losses	-	-	-	-	-
Exchange differences	(2)	(1)	(3)	(4)	(10)
Interest	-	14	-	42	-
Other changes	-	94	(94)	304	(304)
Closing balance	**428**	**98**	**155**	**299**	**431**

During the first half of the year, right-of-use assets increased by €47 million with respect to December 31, 2023, due to the combined effect primarily resulting from the signing of new leases and the amendment of existing releases, plus the related depreciation. Specifically, the increases of €161 million related to new leases for vessels.
The net decrease of €105 million (-€156 million in lease liabilities and -€51 million in lease assets) related to lease payments for the period and the closure of certain contracts.
As of June 30, 2024, no right-of-use asset was a stand-alone CGU. For the purposes of determining the recoverable amount, the right-of-use assets have been allocated to their related CGUs and tested as described under "Impairment" in Note 13 "Property, plant and equipment".
On the basis of business assessments, renewal options mainly relating to land, plant and equipment totaling €52 million (€19 million as of December 31, 2023) are not considered in the determination of the total lease term and lease liability as of June 30, 2024.
The analysis of renewal options by year is as follows:

(€ million)	2024	2025	2026	2027	2028	After	Total
Renewal options	-	-	-	8	11	33	**52**

The lease assets related to subleases of vessels in the offshore drilling business, recorded as a replacement for the right-of-use asset related to the main lease.
The other changes in lease assets and liabilities mainly reflected their reclassification from non-current to current.
The breakdown by maturity of net lease liabilities as of June 30, 2024 is as follows:

(€ million)	Short term portion 2024	Non-current portion 2025	2026	2027	2028	After	Total
Lease liabilities	321	113	115	59	26	126	760
Lease assets	93	38	54	22	10	1	218
Total	**228**	**75**	**61**	**37**	**16**	**125**	**542**

The average marginal loan rate used for discounting the right-of-use assets and lease financial liabilities was 7.6% as of June 30, 2024 (8.2% as of December 31, 2023).
The lease transactions with related parties are detailed in Note 41 "Related party transactions".

16 Equity investments

Equity investments accounted for using the equity method

Equity investments accounted for using the equity method of €203 million (€211 million as of December 31, 2023) are broken down as follows:

(€ million)	Opening carrying amount	Acquisitions and subscriptions	Sales and reimbursements	Share of profit of equity-accounted investees	Share of loss of equity accounted investees	Deduction for dividends	Change in the consolidation scope	Exchange differences	Movements in reserves	Other changes	Closing carrying amount	Loss allowance
June 30, 2024												
Equity investments in joint ventures	64	3	-	5	(1)	(3)	-	2	-	(3)	67	-
Equity investments in associates	147	-	-	18	(4)	(26)	-	2	(1)	-	136	-
Total	**211**	**3**	**-**	**23**	**(5)**	**(29)**	**-**	**4**	**(1)**	**(3)**	**203**	**-**
Dec. 31, 2023												
Equity investments in joint ventures	65	1	(1)	4	(1)	-	-	(3)	(1)	-	64	-
Equity investments in associates	164	-	-	56	(3)	(69)	-	(3)	-	2	147	-
Total	**229**	**1**	**(1)**	**60**	**(4)**	**(69)**	**-**	**(6)**	**(1)**	**2**	**211**	**-**

Equity investments accounted for using the equity method are detailed in Note 4 "Consolidation scope as of June 30, 2024".
The share of profit of equity-accounted investees of €23 million includes profits for the period of €5 million recorded by joint ventures and €18 million by associates.
The share of loss of equity-accounted investees of €5 million includes losses for the period of €1 million recorded by joint ventures and €4 million by associates.
The €29 million deducted for dividends relates to joint ventures for €3 million and associates for €26 million.
The carrying amount of equity investments accounted for using the equity method related to the following companies:

(€ million)	Group share (%)	Carrying amount as of June 30, 2024	Carrying amount as of Dec. 31, 2023
KCA Deutag International Ltd	10.00	82	85
Petromar Lda	70.00	65	61
Rosetti Marino SpA	20.00	21	20
Saipem Taqa Al Rushaid Fabricators Co Ltd	40.00	20	21
Gygaz Snc	7.50	12	19
Other		3	5
Total equity investments accounted for using the equity method		**203**	**211**

The total of equity investments accounted for using the equity method does not include the loss allowance mentioned in Note 24 "Provisions for risks and charges".

Other equity investments

The other equity investments are not significant as of June 30, 2024.

17 Deferred tax assets and liabilities

Deferred tax assets of €275 million (€257 million as of December 31, 2023) are shown net of €118 million in offsettable deferred tax liabilities.
Deferred tax liabilities of €6 million (€6 million as of December 31, 2023) are shown net of €118 million in offsettable deferred tax liabilities.

Movements of deferred tax assets and liabilities are as follows:

(€ million)	Dec. 31, 2023	Accruals	Utilisations	Exchange differences	Other changes	June 30, 2024
Deferred tax assets	257	17	(28)	2	27	275
Deferred tax liabilities	(6)	(14)	24	-	(10)	(6)
Total deferred tax assets (liabilities)	**251**	**3**	**(4)**	**2**	**17**	**269**

The item "Other changes" in deferred tax assets, up €27 million, included: (i) offsetting of deferred tax assets against deferred tax liabilities at individual entity level (positive €17 million); (ii) the tax effects (positive €10 million) of fair value changes of derivatives designated as cash flow hedges reported in equity; (iii) the tax effects (negative €1 million) of remeasurements of defined benefit plans for employees reported in equity; and (iv) other changes (positive €1 million).
The item "Other changes" in deferred tax liabilities, up €10 million, included: (i) offsetting of deferred tax assets against deferred tax liabilities at individual entity level (positive €17 million); (ii) the tax effects (negative €8 million) of fair value changes of derivatives designated as cash flow hedges reported in equity; and (iii) other changes (positive €1 million).
Net deferred tax assets (liabilities) are as follows:

(€ million)	June 30, 2024	Dec. 31, 2023
Gross deferred tax assets	393	392
Offsettable deferred tax liabilities	(118)	(135)
Deferred tax assets	**275**	**257**
Gross deferred tax liabilities	(124)	(141)
Offsettable deferred tax assets	118	135
Deferred tax liabilities	**(6)**	**(6)**
Net deferred tax assets (liabilities)	**269**	**251**

Deferred tax assets recognised in the financial statements as of June 30, 2024 relating to tax losses amounted to €55 million and are considered reasonably recoverable in the next four years (period of the 2024-2027 Strategic Plan).
Taxes are shown in Note 36 "Income taxes".

18 Other non-current assets

Other non-current assets of €62 million (€52 million as of December 31, 2023) are broken down as follows:

(€ million)	June 30, 2024	Dec. 31, 2023
Positive fair value of derivative financial instruments	-	3
Other receivables	24	25
Other assets	38	24
Total	**62**	**52**

Other receivables of €24 million, almost in line with the value as at December 31, 2023, mainly related to various types of security deposits.
Other non-current assets as of June 30, 2024 amounted to €38 million, an increase of €14 million compared to December 31, 2023, and included costs not attributable to the period related to insurance costs and lease payments.
Other non-current financial assets from related parties are detailed in Note 41 "Related party transactions".

19 Trade payables and other liabilities

Trade payables and other liabilities amounted to €3,470 million (€2,944 million as of December 31, 2023) and are broken down as follows:

(€ million)	June 30, 2024	Dec. 31, 2023
Trade payables	3,168	2,668
Other liabilities	302	276
Total	**3,470**	**2,944**

Trade payables of €3,168 million increased by €500 million with respect to December 31, 2023.
Trade payables and other liabilities from related parties are detailed in Note 41 "Related party transactions".

Other liabilities of €302 million were broken down as follows:

(€ million)	June 30, 2024	Dec. 31, 2023
Liabilities to:		
- employees	163	155
- social security institutions	65	62
- insurance companies	4	3
- consultants and professionals	3	2
- directors and statutory auditors	1	1
Other	66	53
Total	**302**	**276**

The fair value of trade and other payables did not differ significantly from their carrying amount due to the short period of time between their date of recognition and their due date.

20 Contract liabilities

Contract liabilities amounted to €3,517 million (€3,088 million as of December 31, 2023) and are made up as follows:

(€ million)	June 30, 2024	Dec. 31, 2023
Contract liabilities (from work in progress)	2,772	2,301
Advances from customers	745	787
Total	**3,517**	**3,088**

Contract liabilities (from work in progress) of €2,772 million (€2,301 million as of December 31, 2023) relate to adjustments in revenue invoiced on long-term contracts in order to comply with the accruals principle, in accordance with the accounting policies based on the contractual amounts accrued.
In particular, contract liabilities (from work in progress) increased by €471 million as a result of adjustments to revenue invoiced during the first six months of the year following the valuation based on the operating progress of projects for €970 million, plus the impact of the exchange rate effect for €9 million, partially offset by the recognition of revenue in the current period for €508 million adjusted at the end of the previous year.
Advances from customers of €745 million (€787 million as of December 31, 2023) mainly related to amounts received upon signing contracts, in previous years and during the first half of the year, and used when contractual milestones are achieved.
Contract liabilities from related parties are detailed in Note 41 “Related party transactions”.

21 Other current liabilities

Other current liabilities of €114 million (€33 million as of December 31, 2023) are broken down as follows:

(€ million)	June 30, 2024	Dec. 31, 2023
Negative fair value of derivative financial instruments	51	17
Other liabilities	63	16
Total	**114**	**33**

The increase in the negative fair value of derivative financial instruments of €34 million was attributable mainly to the EUR/USD exchange rate, as well as the other principal currencies linked to the US dollar.
For information on the fair value of derivative financial instruments see Note 27 “Derivative financial instruments”.
Other liabilities amounted to €63 million, an increase of €47 million compared to December 31, 2023, mainly included the insurance premium reserve.
Other liabilities from related parties are detailed in Note 41 “Related party transactions”.

22 Financial liabilities

Financial liabilities are as follows:

	June 30, 2024				Dec. 31, 2023			
(€ million)	Current financial liabilities	Current portion of non-current financial liabilities	Non-current financial liabilities	Total	Current financial liabilities	Current portion of non-current financial liabilities	Non-current financial liabilities	Total
Banks	62	83	105	250	63	96	374	533
Bonds	-	296	1,660	1,956	-	32	1,794	1,826
Other financial institutions	4	-	-	4	34	-	-	34
Total	**66**	**379**	**1,765**	**2,210**	**97**	**128**	**2,168**	**2,393**

As of June 30, 2024, there were bank loan agreements containing Financial Covenants that require the ratio of net financial debt to EBITDA (as defined in the respective loan agreements) not to exceed 3.5 times. As of June 30, 2024, the conditions on the use of borrowings had all been met, including aforementioned Financial Covenants, the change of control clauses, and the *negative pledge and cross-default* clauses.
"Bonds" includes three unsubordinated ordinary bonds with a total nominal value of €1,517 million (carrying amount of €1,528 million as of June 30, 2024), and one convertible bond, also unsubordinated, with a nominal value of €500 million (carrying amount of €427 million as of June 30, 2024).
The breakdown by maturity of non-current financial liabilities as of June 30, 2024, is as follows:

(€ million)

Type	Maturity range	2025	2026	2027	2028	After	Total non-current financial liabilities
Banks	2025-2027	30	60	15	-	-	105
Bonds	2025-2030	-	206	-	467	987	1,660
Total		**30**	**266**	**15**	**467**	**987**	**1,765**

With regard to future contractual payments due, the maturities of the non-current financial liabilities are broken down as follows:

			Long-term maturity						
(€ million)	Carrying amount as of June 30, 2024	Short-term maturity as of June 30, 2025	Second half 2025	2026	2027	2028	2029	After	Total future payments as of June 30, 2024
Banks	188	85	30	60	15	-	-	-	190
Bonds	1,956	297	-	242	-	500	500	500	2,039
Other financial institutions	-	-	-	-	-	-	-	-	-
Total	**2,144**	**382**	**30**	**302**	**15**	**500**	**500**	**500**	**2,229**

The difference of €85 million between the carrying amount of the non-current financial liabilities recognised in the financial statements as of June 30, 2024 and the total future payments is due to the application of amortised cost to those liabilities.
The breakdown of financial liabilities by currency, with details of the nominal interest rate, is shown below:

(€ million)	June 30, 2024						Dec. 31, 2023					
		Interest rate %			Interest rate %			Interest rate %			Interest rate %	
Currency	Current financial liabilities	from	to	Non-current financial liabilities (including current portion)	from	to	Current financial liabilities	from	to	Non-current financial liabilities (including current portion)	from	to
Euro	4	0.00	0.00	2,144	1.34	5.91	34	0.00	0.00	2,296	1.34	7.58
US dollar	-			-			-			-		
Other	62	variable		-			63	variable		-		
Total	**66**			**2,144**			**97**			**2,296**		

Non-current financial liabilities, including the current portion, mature between 2025 and 2030.
As of June 30, 2024, Saipem had unused uncommitted short-term credit lines totaling €125 million (€114 million as of December 31, 2023) and unused committed long-term credit lines totaling €473 million (€473 million as of December 31, 2023).
Commission fees on unused lines of credit were not significant.
There were no financial liabilities secured by mortgages or liens on real estate of consolidated companies of the Group or by pledges on securities.

The fair value of non-current financial liabilities, including the current portion, amounted to €2,405 million (€2,383 million as of December 31, 2023) and was calculated by discounting the present value of future cash flows in the main currencies of the loan at the following approximate rates:

(Interest rate %)	**June 30, 2024**	**Dec. 31, 2023**
Euro	3.79-4.35	3.91-4.84

The market value of listed financial instruments was calculated using the closing stock price at the last available date of the period.
The following table lists the comparison between the notional value, the carrying amount and the fair value of non-current financial liabilities:

	June 30, 2024			**Dec. 31, 2023**		
(€ million)	Notional amount	Carrying amount	Fair value	Notional amount	Carrying amount	Fair value
Banks	189	188	187	474	470	480
Bonds	2,017	1,956	2,218	1,880	1,826	1,903
Total	**2,206**	**2,144**	**2,405**	**2,354**	**2,296**	**2,383**

The following is a reconciliation between the initial and final values of finance debt and the net financial position:

			Non-cash changes				
(€ million)	Dec. 31, 2023	Change in cash flows	Acquisitions	Exchange differences	Change in fair value	Other non-cash changes	June 30, 2024
Current financial liabilities	97	(32)	-	1	-	-	66
Non-current financial liabilities, including current portion	2,296	(152)	-	-	-	-	2,144
Net lease liabilities (assets)	477	(78)	-	1	-	142	542
Total net liabilities from financing activities	**2,870**	**(262)**	**-**	**2**	**-**	**142**	**2,752**

Financial liabilities from related parties are detailed in Note 41 “Related party transactions”.

23 Analysis of net financial debt

Below is the financial debt statement prepared according to the provisions of ESMA32-382-1138 of March 4, 2021 (ESMA Guideline), compliance with which is required under Consob Warning Notice 5/21 issued on April 29, 2021.

	June 30, 2024			Dec. 31, 2023		
(€ million)	Current	Non-current	Total	Current	Non-current	Total
A. Cash and cash equivalents	**2,148**	**-**	**2,148**	**2,136**	**-**	**2,136**
B. Cash equivalents	**-**	**-**	**-**	**-**	**-**	**-**
C. Other current financial assets:	**455**	**-**	**455**	**472**	**-**	**472**
- Financial assets measured at fair value through OCI	86	-	86	86	-	86
- Financial receivables	369	-	369	386	-	386
D. Liquidity (A+B+C)	**2,603**	**-**	**2,603**	**2,608**	**-**	**2,608**
E. Current financial debt:	**387**	**-**	**387**	**396**	**-**	**396**
- Current financial liabilities with banks	62	-	62	63	-	63
- Current financial liabilities with related parties	1	-	1	1	-	1
- Other current financial liabilities	3	-	3	33	-	33
- Lease liabilities	321	-	321	299	-	299
F. Current portion of the non-current financial debt:	**379**	**-**	**379**	**128**	**-**	**128**
- Non-current financial liabilities with banks	83	-	83	96	-	96
- Ordinary bonds	296	-	296	32	-	32
G. Current financial debt (E+F)	**766**	**-**	**766**	**524**	**-**	**524**
H. Net current financial debt (G-D)	**(1,837)**	**-**	**(1,837)**	**(2,084)**	**-**	**(2,084)**
I. Non-current financial debt:	**-**	**544**	**544**	**-**	**805**	**805**
- Non-current financial liabilities with banks	-	105	105	-	374	374
- Non-current financial liabilities with related parties	-	-	-	-	-	-
- Lease liabilities	-	439	439	-	431	431
J. Debt instruments:	**-**	**1,660**	**1,660**	**-**	**1,794**	**1,794**
- Ordinary bonds	-	1,660	1,660	-	1,794	1,794
K. Trade payables and other non-current debts	**-**	**-**	**-**	**-**	**-**	**-**
L. Non-current financial debt (I+J+K)	**-**	**2,204**	**2,204**	**-**	**2,599**	**2,599**
M. Net financial debt (H+L)	**(1,837)**	**2,204**	**367**	**(2,084)**	**2,599**	**515**

Net financial debt does not include the fair value of derivatives indicated in Note 12 “Other current assets”, Note 18 “Other non-current assets”, Note 21 “Other current liabilities”, and Note 26 “Other non-current liabilities”.

Reconciliation of net financial debt

	June 30, 2024			Dec. 31, 2023		
(€ million)	Current	Non-current	Total	Current	Non-current	Total
M. Net financial debt (H+L)	**(1,837)**	**2,204**	**367**	**(2,084)**	**2,599**	**515**
N. Non-current financial receivables	**-**	**1**	**1**	**-**	**1**	**1**
O. Lease assets	**93**	**125**	**218**	**98**	**155**	**253**
P. Net financial debt (M-N-O)	**(1,930)**	**2,078**	**148**	**(2.182)**	**2.443**	**261**

The pre-IFRS 16 net financial position as of June 30, 2024 was positive at €394 million. Net debt, including IFRS 16 lease liability of €542 million, amounted to €148 million. Pre-IFRS 16 gross debt as of June 30, 2024, amounted to €2,210 million, liquidity to €2,604 million of which available cash for €1,265 million.

24 Provisions for risks and charges

Provisions for risks and charges amount to €710 million (€767 million as of December 31, 2023) and consist of the following:

(€ million)	Opening balance	Accruals	Utilisations	Other changes	Closing balance
June 30, 2024					
Provision for taxes	9	-	-	-	9
Provision for litigation	182	5	(3)	-	184
Provision for losses on investments	49	16	(1)	(1)	63
Provision for contractual expenses and losses on long-term contracts	463	46	(141)	2	370
Provision for redundancy incentives	1	-	-	-	1
Other provisions	63	23	(4)	1	83
Total	**767**	**90**	**(149)**	**2**	**710**
Dec. 31, 2023					
Provision for taxes	9	-	-	-	9
Provision for litigation	234	7	(72)	13	182
Provision for losses on investments	101	-	(51)	(1)	49
Provision for contractual expenses and losses on long-term contracts	745	111	(391)	(2)	463
Provision for redundancy incentives	1	-	(3)	3	1
Other provisions	58	31	(21)	(5)	63
Total	**1,148**	**149**	**(538)**	**8**	**767**

The **provision for taxes** amounted to €9 million and related principally to ongoing litigation concerning indirect taxes with foreign tax authorities and also included the effects of recent assessments.
The Group operates in numerous countries with complex tax laws to which it adheres thanks also to the support of local tax consultants. In some of these jurisdictions, the Group is handling, through appeals, some requests made by the tax authorities, from which it is considered no further significant charges will arise with respect to what has been set aside.
The **provision for litigation** amounted to €184 million and consisted of provisions set aside by Saipem SpA and a number of foreign subsidiaries in relation to ongoing litigation, of which €6 million were for litigation with employees. The provision mainly includes the best estimate of the probable charges arising from settlements and legal proceedings. Specifically, the provision includes around €146 million for litigation in Algeria regarding contracts completed some time ago; for further information, see "Litigation" in Note 31 "Guarantees, commitments and risks".
The **provisions for losses on investments** amounted to €63 million and included allocations made during the valuation of the equity investments for losses exceeding the equity of the investees.
The **provision for contractual expenses and losses on long-term contracts** amounted to €370 million and included the best estimate of the losses of €345 million and final project costs of €25 million related to projects of the business Engineering & Construction.
The **provision for redundancy incentives** amounted to €1 million, attributable to Saipem SpA.
Other provisions amounted to €83 million and were for other contingencies.

25 Employee benefits

Employee benefits amount to € 192 million (€193 million as of December 31, 2023).

26 Other non-current liabilities

Other non-current liabilities of €20 million (€3 million as of December 31, 2023) are broken down as follows:

(€ million)	June 30, 2024	Dec. 31, 2023
Negative fair value of derivative financial instruments	17	-
Other liabilities	2	2
Other liabilities	1	1
Total	**20**	**3**

The increase in the negative fair value of derivative financial instruments of €17 million was attributable mainly to the EUR/USD exchange rate, as well as the other principal currencies linked to the US dollar.

For information on the fair value of derivative financial instruments see Note 27 “Derivative financial instruments”.

27 Derivative financial instruments

	June 30, 2024		Dec. 31, 2023	
(€ million)	Active fair value	Passive fair value	Active fair value	Passive fair value
Derivatives qualified for hedge accounting				
Currency forwards (Spot component)				
- purchases	3	16	5	2
- sales	3	22	65	1
Currency forwards (Forward component)				
- purchases	1	4	-	2
- sales	(2)	13	(16)	2
Commodity forwards (Forward component)				
- purchases	1	-	-	2
- sales	-	-	-	-
Total derivatives qualified for hedge accounting	**6**	**55**	**54**	**9**
Derivatives not qualified for hedge accounting				
Currency forwards (Spot component)				
- purchases	3	3	4	6
- sales	4	5	12	1
Currency forwards (Forward component)				
- purchases	-	1	1	-
- sales	(1)	4	(4)	1
Commodity forwards (Forward component)				
- purchases	-	-	-	-
- sales	-	-	-	-
Total derivatives not qualified for hedge accounting	**6**	**13**	**13**	**8**
Total derivatives accounting	**12**	**68**	**67**	**17**
Of which:				
- current	12	51	64	17
- non-current	-	17	3	-

The derivative contracts’ fair value hierarchy is level 2.
Purchase and sale commitments on derivatives are detailed as follows:

	June 30, 2024		Dec. 31, 2023	
(€ million)	Active	Passive	Active	Passive
Purchase commitments				
Derivatives qualified for hedge accounting:				
- interest rate derivatives	-	-	-	-
- exchange rate derivatives	248	1,150	441	405
- commodity contracts	-	21	-	28
Derivatives not qualified for hedge accounting:				
- exchange rate derivatives	640	637	840	737
	888	**1,808**	**1,281**	**1,170**
Sale commitments				
Derivatives qualified for hedge accounting:				
- exchange rate derivatives	190	2,077	2,415	333
Derivatives not qualified for hedge accounting:				
- exchange rate derivatives	171	751	624	279
	361	**2,828**	**3,039**	**612**

The fair value of forward transactions (outright, forward and currency swaps) was determined by comparing the Net Present Value at the negotiated terms of the transactions outstanding as of June 30, 2024 with the net present value recalculated at the conditions quoted by the market on the period end date. The model used is the Net Present Value (NPV) model, which is based on the forward contract exchange rate, the period-end exchange rate, and the respective forward interest rate curves.
Cash flow hedging transactions related to forward purchase and sale transactions (forwards, outright and currency swaps).

The recognition of the effects on the income statement and the realisation of the economic flows of the highly probable future transactions hedged as of June 30, 2024, are established with reference to a period of time up to 2028.
During the first half of 2024, there were no significant cases in which transactions previously qualified as hedges were no longer considered highly probable.
The positive fair value on qualified hedging derivative contracts as of June 30, 2024 amounted to €6 million (€54 million as of December 31, 2023). In respect of these derivatives, the spot component, amounting to €6 million (€70 million as of December 31, 2023), was suspended in the hedging reserve in the amount of €5 million (€61 million as of December 31, 2023) and recognised in financial income and expenses in the amount of €1 million (€9 million as of December 31, 2023), while the forward component, not designated as a hedging instrument, was recognised in financial income and expenses in the amount of -€1 million (-€16 million as of December 31, 2023).
With regard to commodity contracts, the positive fair value of €1 million was suspended in the hedging reserve (€0.2 million as of December 31, 2023).
The negative fair value on qualified hedging derivative contracts as of June 30, 2024 amounted to €55 million (€9 million as of December 31, 2023). In respect of these derivatives, the spot component, amounting to €38 million (€3 million as of December 31, 2023), was suspended in the hedging reserve in the amount of €33 million (€5 million as of December 31, 2023) and recognised in financial income and expenses in the amount of €5 million (-€2 million as of December 31, 2023), while the forward component, not designated as a hedging instrument, was recognised in financial income and expenses in the amount of €17 million (€4 million as of December 31, 2023). With regard to commodity contracts, the negative fair value of €0.1 million was suspended in the hedging reserve (€2 million as of December 31, 2023).
The hedging reserve, relating to currency contracts, stood at a negative amount of €87 million with a weighted average exchange rate of the hedging instruments of 1.1076 to the US dollar (USD), 0.2397 to the Saudi riyal (SAR), 0.8653 to the UK pound sterling (GBP) and 1.6140 to the Australian dollar (AUD). The hedging reserve, relating to commodity derivatives contracts, stood at a negative amount of €0.2 million, with a weighted average price of hedging instruments of USD 5,734/t (ton) for copper hedges and USD 831/t (ton) for fuel hedges.
During the first half of 2024, the project margins were adjusted by a net positive amount of €21 million for hedging.

28 Discontinued operations, assets held for sale and directly associated liabilities

Discontinued operations

The remaining assets in Argentina, Kazakhstan and Romania relating to the Onshore Drilling segment reported as “Discontinued operations” in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” were transferred with effect from June 30, 2024.
The economic results of the DRON sector, including those of the comparative period, are stated separately from Continuing operations in a single line of the income statement and are limited to third-party transactions, as the elisions of intercompany transactions continue to be operated.
There were no assets held for sale and directly associated liabilities relating to the Onshore Drilling sector reported in the statement of financial position.

(€ million)	June 30, 2024	Dec. 31, 2023
Current assets	-	4
Non-current assets	-	22
Total assets	**-**	**26**
Current liabilities	-	26
Non-current liabilities	-	-
Total liabilities	**-**	**26**

Below is the main financial information of Discontinued operations.

(€ million)	June 30, 2024	June 30, 2023
Total revenue from core business revenue and other revenue	12	56
Operating expenses	(12)	(53)
Operating result	-	3
Financial income (expense)	-	(3)
Gains (losses) on equity investments	-	-
Pre-tax profit (loss)	-	-
Income taxes	-	-
Net result:	-	-
- of which Saipem shareholders	-	-
- of which non-controlling interests	-	-
Net income per share	-	-
Net cash flows from operating activities	-	-
Net cash flows from investing activities	-	-
Capital expenditure	-	-

Assets held for sale

As of June 30, 2024, there were no assets held for sale.

29 Equity

Non-controlling interests

During the first half of 2024, the acquisition of minority interests in the amount of €2 million was reported. As of June 30, 2024, there was no capital and reserves of third-party shareholders (€2 million as of December 31, 2023).

Saipem's equity

Saipem's equity amounted to €2,419 million as of June 30, 2024 (€2,394 million as of December 31, 2023) and consisted of the following:

(€ million)	June 30, 2024	Dec. 31, 2023
Share capital	502	502
Share premium	1,622	1,622
Legal reserve	5	-
Hedging reserve	(66)	19
Fair value reserve for available-for-sale financial instruments	(2)	(2)
Exchange difference reserve	(26)	(45)
Employee benefit reserve	(18)	(22)
OCI reserve for equity-accounted investees	(3)	(2)
Other	80	80
Retained profits	314	137
Profit (loss) for the period	118	179
Negative reserve for treasury shares in portfolio	(107)	(74)
Total	**2,419**	**2,394**

Share capital

As of June 30, 2024, Saipem SpA's fully paid-up share capital amounted to €501,669,790.83, corresponding to 1,995,558,791 shares, all without par value (1,995,558,791 as of December 31, 2023), of which 1,995,557,732 (1,995,557,732 as of December 31, 2023) were ordinary shares and 1,059 savings shares (1,059 as of December 31, 2023).

Share premium

This item amounted to €1,622 million as of June 30, 2024 (€1,622 million as of December 31, 2023).

Other reserves

Other reserves as of June 30, 2024 were negative by €30 million (positive by €28 million as of December 31, 2023) and consisted of the following:

(€ million)	June 30, 2024	Dec. 31, 2023
Legal reserve	5	-
Hedging reserve	(66)	19
Fair value reserve for available-for-sale financial instruments	(2)	(2)
Exchange difference reserve	(26)	(45)
Employee benefit reserve	(18)	(22)
OCI reserve for equity-accounted investees	(3)	(2)
Other	80	80
Total	**(30)**	**28**

Legal reserve

This item amounted to €5 million as of June 30, 2024 and represented the part of the profits of the Parent Company Saipem SpA that, pursuant to Article 2430 of the Italian Civil Code, cannot be distributed as a dividend.

Hedging reserve

The reserve is negative by €66 million (positive by €19 million as of December 31, 2023) and relates to the fair value measurement of interest rate hedging contracts, commodity risk hedging contracts and the spot component of exchange rate risk hedging contracts outstanding as of June 30, 2024.
The cash flow hedge reserve is shown net of the tax effect of €21 million (€3 million as of December 31, 2023).

Fair value reserve for available-for-sale financial instruments

The negative reserve of €2 million (negative for €2 million as of December 31, 2023) includes the fair value of available-for-sale financial instruments.

Exchange difference reserve

The reserve is negative for €26 million (negative for €45 million as of December 31, 2023) and relates to exchange rate differences from the translation into euros of financial statements expressed in currencies other than the euro.

Employee benefit reserve

The reserve shows a negative balance of €18 million (negative €22 million as of December 31, 2023), net of the tax effect of €6 million (€7 million as of December 31, 2023).
This reserve, in accordance with the provisions of IAS 19, includes the actuarial gains and losses related to the employee benefit plans. These remeasurements are not allocated to the income statement.

OCI reserve for equity-accounted investees

The OCI reserve for equity-accounted investees is negative at €3 million (negative €2 million as of December 31, 2023), in view of defined benefit plans for employees.

Other

"Other" includes the "convertible bond conversion reserve", which was positive at €80 million (positive at €80 million as of December 31, 2023), and represents the option giving holders of compound financial instruments the right of conversion into a fixed number of ordinary shares of the Company. This value is equal to the difference between the fair value of the compound financial instrument as a whole and the fair value of the financial liability, net of issuance costs of €1,041 thousand.

Negative reserve for treasury shares in portfolio

The negative reserve amounts to €107 million (€74 million as of December 31, 2023) and includes the value of treasury shares for the allocation of the incentive plans for Group executives.
During the first half of the year, on the basis of the resolutions of the Shareholders' Meeting held on May 3, 2023, a total of 22,500,000 shares were purchased for the purposes of the 2023 allocation of the Long-Term Incentive Plan 2023-2025, and 12,185 shares were allocated in implementation of the 2021-2023 Short-Term Incentive Plan.
The breakdown of changes of treasury shares is as follows:

	Number of shares	Average cost (€)	Total cost (€ million)	Share capital (%)
Treasury shares in portfolio as of December 31, 2023	**398,649**	**186.183**	**74**	**0.02**
Procurement year 2024	22,500,000	1.466	33	1.13
Assignments 2024	(12,185)	4.682	n.s.	n.s.
Treasury shares in portfolio as of June 30, 2024	**22,886,464**	**4.682**	**107**	**1.15**

As of June 30, 2024, the number of shares in circulation was 1,972,672,327 (1,995,160,142 as of December 31, 2023).

30 Additional information

Additional information on the financial statements

(€ million)	June 30, 2024
Analysis of disposals in companies which have left the consolidation scope and business units	
Current assets	(3)
Non-current assets	22
Net liquid funds (net financial debt)	-
Current and non-current liabilities	(21)
Net effect of disposals	**(2)**
Current value of shareholdings retained after transfer of control	-
Capital gain (losses) from disposals	2
Non-controlling interests	-
Reclassify other items	-
Disinvestment credits	-
Total sale price	**-**
less:	-
Cash and cash equivalents	-
Cash flow from disposals	**-**

Disposals in the first half of 2024 concerned, as part of the sale of Onshore Drilling started in 2022, the transfer of the residual assets in Argentina, Kazakhstan and Romania.

31 Guarantees, commitments and risks

Guarantees

Guarantees amounted to €7,671 million (€7,898 million as of December 31, 2023), and are as follows:

	June 30, 2024			Dec. 31, 2023		
(€ million)	Unsecured	Other personal guarantees	Total	Unsecured	Other personal guarantees	Total
Joint ventures and associates	19	325	344	19	374	393
Subsidiaries	19	4,445	4,464	46	4,777	4,823
Own	-	2,863	2,863	-	2,682	2,682
Total	**38**	**7,633**	**7,671**	**65**	**7,833**	**7,898**

Other personal guarantees issued for consolidated companies amounted to €4,445 million (€4,777 million as of December 31, 2023), which are related to independent guarantees given to third parties mainly to bid bonds and to ensure compliance with contractual agreements, together with sureties and other personal guarantees issued to banks.
Guarantees issued to/through related parties are detailed in Note 41 “Related party transactions”.

Commitments

Saipem SpA has commitments with clients and/or other beneficiaries (financial and insurance institutions, export credit agencies) relating to the fulfilment of contractual obligations entered into by itself and/or by its subsidiaries, associates and Joint ventures that have been awarded contracts, in the event of non-performance and payment of any damages arising from non-performance.
The total value of corporate commitments, which entail accepting a performance obligation, amounted to €76,760 million (€74,350 million as of December 31, 2023).
The repayment obligations of bank loans granted to Saipem Group companies are generally supported by guarantees issued by the parent company Saipem SpA and other Group companies. The repayment obligations of the Group’s bond issues are covered by guarantees issued by the parent company Saipem SpA, and other Group companies.

Risks

The policies for managing and monitoring the Group’s main risk factors are given in the section "Risk Management" of the "Interim Directors’ Report".

Additional information on financial instruments

INFORMATION ON FAIR VALUE

The classification of financial assets and liabilities is given below; these are measured at fair value in the statement of financial position, according to the fair value hierarchy defined according to the significance of the inputs used in the assessment process. In particular, depending on the characteristics of the inputs used for assessment, the fair value hierarchy has the following levels:

a) level 1: prices (not subject to variations) listed on active markets for the same financial assets or liabilities;
b) level 2: assessments made on the basis of inputs, other than the listed prices referred to in the preceding point, which, for the measured asset/liability, can be observed directly (prices) or indirectly (derived from prices). The inputs used include spot and forward exchange rates, interest rates and forward commodity prices; and
c) level 3: inputs not based on observable market data.

In relation to the above, the financial instruments measured at fair value as of June 30, 2024 are as follows:

	June 30, 2024			
(€ million)	Level 1	Level 2	Level 3	Total
Financial assets (liabilities) held for trading:				
- non-hedging derivatives	-	(7)	-	(7)
Financial assets available for disposal:				
- financial assets measured at fair value through OCI	86	-	-	86
Net hedging derivative assets (liabilities)	-	(49)	-	(49)
Total	**86**	**(56)**	**-**	**30**

Throughout the first half of 2024 there were no transfers between the different levels of the fair value hierarchy.

Legal proceedings

The Group is a party in certain judicial proceedings. Provisions for legal risks are made on the basis of information available at the date of the present Report, including information acquired by external consultants providing the Group with legal support. Information available regarding criminal proceedings at the preliminary investigation phase is by its nature incomplete due to the principle of pre-trial secrecy.

With respect to pending legal proceedings, provisions are not made when a negative outcome is evaluated as not probable or when it is not possible to estimate its outcome.

Except as noted below, for all the criminal proceedings evaluated, also with the support of external lawyers, and considered to be proceedings whose outcome cannot be predicted, no provisions were made.

The Company has made provisions for the following proceedings:

a) actions for damages brought by institutional investors following Consob Resolution No. 18949 of June 18, 2014, for which the Company prudently deemed it necessary to establish a provision;
b) the Algerian GNL 3 Arzew criminal proceeding, for which it was necessary to acknowledge the sentence in the first instance of February 14, 2022, confirmed by the Court of Appeal of Algiers on June 28, 2022 and subsequently by the Algerian Supreme Court, as indicated in the press release dated November 18, 2022;
c) other minor proceedings for which the Company has prudently set up provisions.

For more details, please see the coming paragraphs.

A summary of the most significant judicial proceedings is set out below.

ALGERIA

Proceedings in Algeria - Sonatrach 1: in 2010, proceedings were initiated in Algeria regarding various matters and involving 19 parties investigated for various reasons ("Sonatrach 1 investigation"). The Société nationale pour la recherche, la production, le transport, la transformation et la commercialisation des hydrocarbures SpA ("Sonatrach") appeared as plaintiff in these proceedings and the Algerian Trésor Public also applied to appear as a plaintiff.

The Algerian company Saipem Contracting Algérie SpA ("Saipem Contracting Algérie") is also a party to the proceedings regarding the manner in which the GK3 contract was awarded by Sonatrach. In the course of these proceedings, some bank accounts of Saipem Contracting Algérie denominated in local currency were frozen.

In particular, in 2012 Saipem Contracting Algérie received formal notice of the referral to the Chambre d'accusation at the Court of Algiers of an investigation into the company regarding allegations that it took advantage of the authority or influence of representatives of a government-owned industrial and trading company in order to inflate prices in relation to contracts awarded by that company. The GK3 contract was awarded in June 2009 and had an equivalent value of €433.5 million (at the exchange rate in effect when the contract was awarded).

At the beginning of 2013, the "Chambre d'accusation" ordered Saipem Contracting Algérie to stand trial and further ordered that the aforementioned bank accounts remained frozen. According to the allegation, the price offered had been up to 60% higher than the market price; this alleged increase over the market price had been reduced to 45% of the market price as a result of the discount negotiated between the parties after the offer. In April 2013, and in October 2014, the Algerian Supreme Court rejected requests made by Saipem Contracting Algérie since 2010 to unfreeze the bank accounts. The documentation was then transmitted to the Court of Algiers which, in the hearing of March 15, 2015, adjourned the proceedings to the hearing of June 7, 2015, during which, in the absence of certain witnesses, the Court officially handed over the case to a criminal court. The trial commenced with the hearing fixed for December 27, 2015. In the hearing of January 20, 2016, the Algiers Public Prosecutor requested the conviction of all 19 defendants accused in the "Sonatrach 1" trial.

The Algiers Public Prosecutor requested that Saipem Contracting Algérie be fined 5 million Algerian dinars (approximately €40,000).
The Algiers Public Prosecutor also requested the confiscation of the alleged profit ascertained by the Court, of all 19 parties whose conviction has been requested (including Saipem Contracting Algérie).
For the offence with which Saipem Contracting Algérie was charged, local regulations prescribed a fine as the main punishment (up to a maximum of approximately €40,000) and allowed, in the case of the alleged offence, additional sanctions such as the confiscation of the profit arising from the alleged offence (which would be the equivalent of the amount allegedly over the market price of the GK3 contract as ascertained by the judicial authority) and/or disqualification sanctions.
On February 2, 2016, the Court of Algiers issued the first instance ruling. Amongst other things, this ruling ordered Saipem Contracting Algérie to pay a fine of approximately 4 million Algerian dinars (corresponding to approximately €30,000). In particular, Saipem Contracting Algérie was held to be responsible, in relation to the call for bids for the construction of the GK3 gas pipeline, of *"an increase in price during the awarding of contracts signed with a public company of an industrial and commercial character in a way that causes benefit to be derived from the authority or influence of representatives of said company"*, an act punishable under Algerian law. The ruling also returned two bank accounts denominated in local currency to Saipem Contracting Algérie. These held a total of approximately €64.8 million (amount calculated at the exchange rate as of December 31, 2023), which had been frozen in 2010.
The client Sonatrach, which appeared as a civil plaintiff in the proceedings, reserved its right to pursue its claims in the civil courts. The request by the Algerian Trésor Civil to appear as plaintiff was rejected.
Pending the filing of the reasons thereof, the ruling of February 2, 2016 of the Court of Algiers was challenged before the Supreme Court: by Saipem Contracting Algérie (which requested acquittal and had announced that it would challenge the decision); by the Prosecutor General (who had requested the imposition of a fine of 5 million Algerian dinars and the confiscation, requests that were rejected by the Court, which, as noted, fined Saipem Contracting Algérie with the lesser amount of approximately 4 million Algerian dinars); by the Trésor Public (whose request to be admitted as plaintiff against Saipem Contracting Algérie had been, as already stated, rejected by the Court); by all the other parties sentenced, in relation to the cases concerning them.
Owing to these challenges, the implementation of the decision of the Court of Algiers was fully suspended and remained so, pending the ruling of the Supreme Court in respect of:
- the payment of the fine of approximately €30,000; and
- the unfreezing of the two bank accounts, containing a total of approximately €64.8 million (amount calculated at the exchange rate as of December 31, 2023). Sonatrach has not challenged the decision of the Court, consistently with its request, accepted by the Court, to be allowed to claim compensation subsequently in civil proceedings. Civil action was not initiated by Sonatrach.

With the judgement of July 17, 2019, which reasons were filed on October 7, 2019, the Algerian Supreme Court overruled the decision of the Court of Algiers dated February 2, 2016, upholding the challenge of all the appellants (including the appeal of Saipem Contracting Algérie) and referring the case to the Court of Appeal of Algiers.
The proceedings began on February 17, 2021 and on December 12, 2022, the Court of Appeal of Algiers issued its judgement.
Saipem's press release dated December 12, 2022 informed that:
"Most of the Company's defence arguments were accepted. New summons to appear.
Following the press releases dated February 2, 2016 and July 17, 2019, Saipem informs that today the Court of Appeal of Algiers has pronounced a judgment in the Sonatrach 1 criminal proceedings, against Saipem Contracting Algérie ongoing since 2010, in Algeria, in relation to the award of the GK3 contract in 2009. In this proceeding Saipem Contracting Algérie was accused of 'inflating the price on contracts awarded by a public company engaged in industrial and commercial activities, taking advantage of the authority or influence of representatives of said company' which bears a criminal sanction under Algerian law.
Specifically, today the Court of Appeal of Algiers, having accepted most of the Company's defence arguments, rejected the claim for damages of the Algerian Treasury, confirming the rest of the first instance sentence. As a result of this decision, the same Court of Appeal also ordered to revoke the seizure of current accounts in the amount of €63.2 million equivalent, referable to the proceedings in question.
It should be noted that the proceeding in the first instance concluded on February 2, 2016, when the Court of Algiers ordered Saipem Contracting Algérie to pay a fine of approximately 4 million Algerian dinars (corresponding to around €30,000). The ruling issued in the first instance was challenged before the Algerian Supreme Court, which on July 17, 2019, had fully overruled the decision by the Court of Algiers dated February 2, 2016, thus the Court of Appeal of Algiers started the trial which ended today.
It should be noted that the Italian judiciary authority – further to criminal proceedings in which also the process of award of the GK3 project in 2009 had been analysed – fully acquitted the company on December 14, 2020.
Saipem Contracting Algérie, in welcoming the ruling, will consider whether to challenge the decision of the Court of Appeal regarding the fine imposed before the Supreme Court. Additional information on this proceeding in Algeria is provided under the section 'Legal proceedings' in Saipem's Interim Consolidated Financial Report as of June 30, 2022 (pages 142-143).
Still concerning projects dating back to 2008, Saipem has also received a summons to appear, with other individuals and legal entities, before the Algerian Court in a new proceeding for 'inflating the price on contracts awarded by a public company engaged in industrial and commercial activities, taking advantage of the authority or influence of representatives, to obtain advantageous prices compared to those normally charged, or to modify, to their advantage, the quality of the materials or services or the delivery or supply times. Trafficking in influence. Violation of laws and regulations concerning exchange and transfer of capital to and from abroad'. The company denies all charges and will actively participate in the proceedings to show it was not involved in the alleged facts, having always acted in accordance with the relevant regulatory framework".
On December 19, 2022, Saipem Contracting Algérie challenged the decision of the Algiers Court of Appeal decision of December 12, 2022, relating to the pecuniary fine before the Algerian Supreme Court.
On February 16, 2023, Saipem Contracting Algérie filed its brief with its grounds for appeal.

On March 2, 2023, Saipem Contracting Algérie filed its reply to the appeal presented by the General Attorney to the Algerian Supreme Court. The hearing before the Supreme Court, initially set for May 25, 2023, had been postponed to July 27, 2023.
On July 27, 2023, following the Algerian Supreme Court hearing, Saipem issued the following press release:
"Making reference to the press release of December 12, 2022, Saipem informs that today the Algerian Supreme Court has pronounced a judgement in the Sonatrach 1 criminal proceedings ongoing since 2010, in Algeria, against, among others, Saipem Contracting Algérie SpA, in relation to the award of the GK3 contract in 2009. Based on the decision read out by the Algerian Supreme Court, whose text and reasons will be made available in the manner and timeframe provided under local regulations, Saipem was pleased to learn from its lawyers that the Algerian Supreme Court, concerning specifically Saipem Contracting Algérie, upheld the ruling by the Court of Appeal of Algiers. Further information on this proceeding is provided in detail, in addition to the aforementioned press release, under the section 'Legal proceedings' in the Annual Report as of December 31, 2022 of Saipem SpA".
At the following hearing, on February 8, 2024, the Court of Appeal of Algiers fully acquitted Saipem Contracting Algérie and ordered the release of the bank accounts that had been frozen. On the same date, Saipem issued the following press release:
"With reference to the press release of July 27, 2023, Saipem informs that today the Court of Appeal of Algiers, following referral by the Supreme Court of July 27, 2023, has fully acquitted Saipem Contracting Algérie SpA in the Sonatrach 1 criminal proceedings ongoing since 2010 in Algeria, in relation to the award of the GK3 contract in 2009. The text and reasons of today's decision will be made available in the manner and timeframe provided under local regulations. Further information on this proceeding is provided in detail, in addition to the aforementioned press release, under the section 'Legal proceedings' in the Interim Report as of June 30, 2023 of Saipem SpA".
Ongoing Investigation - Algeria - Sonatrach 2: in March 2013, the legal representative of Saipem Contracting Algérie was summoned to appear at the Court of Algiers, where he received verbal notification from the local investigating judge of the commencement of an investigation ("Sonatrach 2") underway "into Saipem Contracting Algérie for charges pursuant to Articles 25a, 32 and 53 of the Algerian Anti-Corruption Law No. 01/2006". The investigating judge also requested documentation (Articles of Association) and other information concerning Saipem Contracting Algérie, Saipem SpA and Saipem SA. After this summon, no further activities or requests have followed.
GNL3 Arzew - Algeria: on October 16, 2019 and October 21, 2019, Saipem Contracting Algérie and Snamprogetti SpA Algiers branch were summoned by the investigating judge at the Supreme Court as part of investigations relating to events in 2008 (award of the GNL3 Arzew contract). Saipem Contracting Algérie and the Algiers Branch of Snamprogetti SpA were further summoned on November 18, 2019 by the General Public Prosecutor at the Supreme Court of Algiers to provide information and documents relating to the same GNL3 Arzew contract awarded by Sonatrach in 2008.
A further hearing of the representatives of Saipem Contracting Algérie and the Algiers Branch of Snamprogetti SpA took place on November 18, 2019, at which the General Public Prosecutor of Algiers was provided with the information and documentation he had requested; the General Public Prosecutor of Algiers instructed Saipem Contracting Algérie and Snamprogetti SpA Algiers branch to provide further documentation by December 4, 2019. Saipem Contracting Algérie and the Algiers Branch of Snamprogetti SpA promptly filed the documentation requested by the deadline of December 4, 2019.
The Algiers General Public Prosecutor also summoned a representative of Saipem Contracting Algérie. On November 20, 2019, the Algiers General Public Prosecutor informed Saipem Contracting Algérie and Snamprogetti SpA Algiers branch that Algeria's Trésor Public had joined the proceedings as a plaintiff.
On December 9, 2020, the local representative of Saipem Contracting Algérie was heard.
Saipem SpA Algiers branch, Saipem Contracting Algérie and Snamprogetti SpA Algiers Branch were again called on December 16, 2020.
In September 2021, it became known that the Court of Algiers – Sidi Mhamed pole economic et financier – having taken note of the closure of the investigations, had issued an order to seize certain bank accounts of Saipem Group companies in Algeria, already subject to a similar previous provision set out in the context of the GK3 proceeding, as indicated above.
The commencement of the trial relating to the 2008 award of the GNL3 Arzew contract was initially set for a hearing before the Court of Algiers pole economic et financier on December 6, 2021, which was first postponed to December 20, 2021, then to January 3, 2022. At the hearing of January 17, 2022, the trial was postponed to January 24, 2022 and then to January 31, 2022.
In these criminal proceedings, which involved 38 individuals (including the former Algerian Ministry of Energy, certain former executives of Sonatrach and Algerian customs officials) and legal persons, the Public Prosecutor alleged that, with regard to the award in 2008 and the execution of the contract for the GNL3 Arzew project (the original value of which was approximately €2.89 billion), the following offences were committed, inter alia, by Saipem SpA Algerian branch, Snamprogetti SpA Algerian branch, Saipem Contracting Algérie, two former employees of the Saipem Group and an employee of the Saipem Group:
(i) the *"inflating of prices in connection with the award of contracts concluded with a public company of an industrial and commercial nature benefiting from the authority or influence of representatives of that body"*;
(ii) infringement of certain Algerian customs regulations.
Sonatrach, the Algerian Trésor Public and the Customs Agency requested to appear as civil plaintiffs. The trial was declared open at the hearing of January 31, 2022. At the hearing of February 1, 2022, the judge closed the hearing stage. The Saipem Group defended itself on the merits, stating the lack of grounds for the charges, noting, among other things, the verdict of final acquittal pronounced by the Italian judicial authority regarding matters that included the award of the GNL3 Arzew contract and in any case the effects of the settlement signed with Sonatrach on February 14, 2018, which also concerned the previous pending arbitration regarding the same project.
By its press release dated February 15, 2022, Saipem informed:
"The Court of Algiers yesterday has ruled in first instance on the legal proceeding ongoing since 2019 in Algeria concerning, among other things, the award of the 2008 project GNL3 Arzew.
Saipem, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch will appeal the decision of the Court of Algiers with subsequent suspension of its effects.

It should be noted that the Italian judicial authority, at the end of a criminal proceeding in which the award methods of the 2008 project GNL3 Arzew were also scrutinised, pronounced on December 14, 2020 a final acquittal.
With reference to the criminal proceeding by the Court of Algiers, the companies Saipem, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch were accused of the offences sanctioned by the Algerian law in the case of: 'price increase when awarding contracts with a public company, industrial and commercial, benefitting of the authority or influence of representatives of said company' and of 'false customs declaration'.
The ruling of the Court of Algiers, with reference to both charges, established for Saipem, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch a fine and damage compensation for a total of approximately €192 million. The ruling determined the recognition in the financial statements as of December 31, 2021 of an obligation of equal value, of which the payment remains on hold due to the appeal.
The Court of Algiers has also sentenced two former employees of the Saipem Group (the former head of the GNL3 Arzew project and an Algerian employee) to 5 and 6 years of conviction respectively. Another employee of the Saipem Group was acquitted of all charges.
The ground of the sentence have not yet been made available by the Court of Algiers".
The first-degree sentence had imposed the payment of approximately €208 million, of which €145 million was awarded in favour of the civil parties and €63 million in damages.
On February 16, 2022, Saipem SpA, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch appealed the sentence of February 14, 2022, whose grounds were made available on April 4, 2022.
The first hearing in the appeal judgment, initially scheduled for April 12, 2022, was postponed to May 10, 2022 and then to May 24, 2022 then June 14, 2022.
At the hearing on June 14, 2022, the Judge indicated a decision would be issued on June 28, 2022.
Saipem's press release dated June 28, 2022, informed:
"The Court of Appeal of Algiers today ruled in the criminal proceeding, ongoing in Algeria since 2019, connected, inter alia, to the 2008 tender for the award of the GNL3 Arzew contract. In this proceeding, the companies Saipem SpA, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch were charged, in accordance with Algerian law, of allegedly 'having obtained a contract, with a price higher than the correct value, concluded with a state-owned commercial and industrial company, benefitting of the influence of representatives of that company'; and of 'false custom declarations'.
The Court of Appeal of Algiers upheld, on both charges, the judgement of the first-degree ruling issued by the Court of Algiers on February 14, 2022. This ruling had imposed against Saipem SpA, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch fines and damages for an overall amount of approximately €199 million equivalent at today's exchange rate (of which approximately €60 million in fines and around €139 million in favour of the civil parties). Following the first degree ruling by the Court of Algiers, the Company set aside an equivalent amount in the Financial Statements as of December 31, 2021, even though the payment had been suspended following the appeal against the decision. The Tribunal of Algiers had also sentenced two former employees of Saipem Group (the then head of the project GNL3 Arzew and a former Algerian employee) to 5 years and 6 years of imprisonment, respectively. Another employee of Saipem Group had been acquitted of all charges.
The reasons for the ruling have not yet been made available by the Court of Appeal of Algiers.
Saipem notes that the Italian judiciary authority – further to criminal proceedings in which also the process of award in 2008 of the project GNL3 Arzew had been analysed – fully acquitted the Company on December 14, 2020.
Saipem SpA, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch will promptly challenge before the Algerian Supreme Court the decision issued by the Court of Appeal of Algiers. Under Algerian law, the opposition against the ruling of the Court of Appeal suspends the effects of such ruling with regard to the fines (equal to approximately €60 million) while the ruling in favour of the civil parties (equal to approximately €139 million) is enforceable despite the pending opposition.
The judgement, whose amount has already been set aside in the financial statements as of December 31, 2021, does not affect the validity of the financing package and the achievement of the objectives of the 2022-2025 Strategic Plan".
On July 31, 2022, Saipem SpA Algeria branch, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch challenged the decision of the Algiers Court of Appeal issued on June 28, 2022 before the Algerian Supreme Court.
Saipem's press release dated November 18, 2022 informed:
"Saipem SpA, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch reserve the right to challenge the decision issued by the Algerian Supreme Court.
Following the press releases dated February 18 and June 22, 2022, Saipem informs that the Algerian Supreme Court has ruled in the criminal proceeding related to the GNL3 Arzew project, rejecting the appeal presented by all defendants against the ruling issued by the Algiers Court of Appeal on June 28, 2022. Specifically, today, Saipem SpA, Saipem Contracting Algérie and Snamprogetti SpA Algeria branch were notified of the aforementioned ruling by their local legal counsels.
It is recalled that the decision by the Algiers Court of Appeal, on June 28, 2022, had upheld the first instance sentence by the Court of Algiers dated February 14, 2022, which had convicted the abovementioned defendants for charges and amounts as they are indicated in the recalled press releases.
Saipem notes that the Italian judiciary authority - further to criminal proceedings in which the process of award in 2008 of the project GNL3 Arzew had been analysed – fully acquitted the Company on December 14, 2020.
Saipem SpA, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch, which have always contested the charges, reserve the right to challenge the decision issued by the Algerian Supreme Court before the relevant judicial authority.
Following the original award by the Court of Algiers dated February 14, 2022, the aforementioned amounts had been set aside in the financial statements as of December 31, 2021.
Additional information on the GNL3 Arzew proceeding in Algeria is provided under the section "Legal proceedings" in Saipem's Interim Consolidated Financial Report as of June 30, 2022 (pages 144-145)".
Regarding the bank accounts already frozen, Saipem Contracting Algérie had informally learned of a request of confiscation of sums held therein and had informed the banks involved, inter alia, of the existence of a previous similar provision which insisted

on the same sums set out in the GK3 proceedings which would have determined the illegitimacy of any subsequent payment by them of the aforementioned sums. Saipem Contracting Algérie had informed the local competent Authority for the execution which, noting the foregoing, ordered the temporary suspension of the execution, pending the conclusion of the GK3 proceedings. Despite the information made available by Saipem, pending the issuance of the aforementioned ministerial provision, one of the local banks had proceeded to implement the confiscation request for a sum equal to 1,693,222,124.55 Algerian Dinars (equivalent to €11.4 million at the exchange rate of December 31, 2023).
After excluding the possibility of presenting an extraordinary appeal, the management of the Company carried out, also through external legal consultants, an in-depth analysis on the recognition and enforceability of the rulings of the Algerian Supreme Court outside the local jurisdiction. At the same time, the management of Saipem Contracting Algérie, with the help of its legal advisors, made a formal request for an authentic interpretation of the ruling to the Attorney General's Office, the only body delegated to enforce judgments under Algerian law, regarding the permissibility of confiscation of bank accounts that had no connection to the aforementioned project. The Algiers Attorney General's Office has initiated preliminary actions to obtain payment of the fines specified in the judgment. At this time, no requests have been received for payment of the fines contained in the judgment in accordance with Algerian law.
In June 2024, the Algerian Authorities, responding to the interpretative requests made by Saipem Contracting Algérie, pronounced a ruling confirming the provisions of the judgment.
Following this ruling, the Algerian Authorities confiscated the remaining amounts already seized totaling 8,055,221,624.6 Algerian dinars (€55,931,581.5 equivalent at the exchange rate of June 30, 2024) and released all accounts.
Discussions are underway with the Algerian Authorities to define a closure of the prosecution in the context of a broader settlement of all other outstanding items related to the judgment.

BRAZIL

On August 12, 2015, the Public Prosecutor's office of Milan served Saipem SpA. with a notice of investigation and a request for documentation in the framework of new criminal proceedings for the alleged crime of international corruption occurring between 2004-2014 concerning three contracts: "Mexilhao 1", "Uruguà - Mexilhao Pipeline Project" and "Operation of the Floating, Production, Storage and Offloading FPSO - Cidade de Vitória" awarded by the Brazilian company Petrobras to Saipem SA (France) and Saipem do Brasil (Brazil). On January 30, 2023, the Milan Public Prosecutor served the Company's lawyers with the decree of dismissal of the Saipem SpA's proceeding pursuant to Article 58 of Legislative Decree No. 231/2001 dated January 24, 2022.
On January 31, 2023, the Company's lawyers acquired a copy of the dismissal order, sending it to the company on the same date.
It states that the dismissal regards Saipem SpA pursuant to Article 746-*quater*, paragraph 6 of the Code of Criminal Procedure. Following the aforementioned dismissal, the file was taken over by the Paris Public Prosecutor's Office (Parquet National Financier). To assist the subsidiary Saipem SA, involved in a request for the acquisition of documents by the French Public Prosecutor, a law firm in Paris has been engaged and is currently dealing with it.
With reference to the aforementioned contracts, the Company learned only through the press, that the award of this contract was being looked into by the Brazilian judicial authorities in relation to a number of Brazilian citizens, including a former associate of Saipem do Brasil.
In particular, on June 19, 2015, Saipem do Brasil learned through the media of the arrest (in regard to allegations of money laundering, corruption and fraud) of a former associate, as a result of a measure taken by the Brazilian Public Prosecutor's office of Curitiba, in the framework of a judicial investigation in progress in Brazil since March 2014 ("Lava Jato" investigation). On July 29, 2015, Saipem do Brasil then learned through the press that, in the framework of the conduct alleged against the former associate of Saipem do Brasil, the Brazilian Public Prosecutor's office also alleges that Petrobras was unduly influenced in 2011 to award Saipem do Brasil a contract called "Cernambi" (for a value of approximately €56 million). This has been purportedly deduced from the circumstance that in 2011, in the vicinity of the Petrobras headquarters, said former associate of Saipem do Brasil claims to have been the target of a robbery in which approximately 100,000 reals (approximately €18,650 amount updated at the exchange rate as of December 31, 2023) just withdrawn from a credit institution were stolen from him. According to the Brazilian Prosecutor, the robbery allegedly took place in a time period prior to the award of the aforesaid "Cernambi" contract.
Saipem SpA has cooperated fully with the investigations and has started an audit with the assistance of a third-party consultant. The audit examined the names of numerous companies and persons reported by the media as being under investigation by the Brazilian judicial authorities. The audit report, issued on July 14, 2016, recognised the absence of communications or documents relating to transactions and/or financial movements between companies of the Saipem Group and the personnel of Petrobras under investigation.
The witnesses heard in the criminal proceedings underway in Brazil against this former associate, as well as in the framework of the works of the parliamentary investigative committee set up in Brazil on the "Lava Jato" case, have stated that they were unaware of any irregularities regarding Saipem's activities.
Petrobras appeared as a plaintiff (*Assistente do Ministerio Publico*) in the proceedings against the three individuals charged. The Brazilian Attorney General considered that the conditions for keeping confidential an agreement signed in October 2015 by the former associate of Saipem do Brasil – who, with such agreement committed himself to substantiating with evidence some of the statements made – had ceased. The proceeding resumed on June 9, 2017. At the hearing on June 9, 2017, the depositions of the three defendants were obtained, among them the former associate of Saipem do Brasil and a former Petrobras official.
Saipem do Brasil's former associate, with regard to the robbery he suffered where 100,000 Brazilian reals were stolen in October 2011, said that money was needed to pay the costs of real estate for a company he was managing on behalf of a third party vis-à-vis Saipem (that is, the former Petrobras official charged in the same proceeding who confirmed that statement).
The former Saipem do Brasil associate had also stated that the Saipem Group did not pay any bribes because Saipem's compliance system prevented this from happening. That statement was confirmed by the former Petrobras official charged in

the same proceeding. The former associate of Saipem do Brasil and the former Petrobras official charged in the same proceeding, while offering a reconstruction of the facts which was partially different, had reported that the possibility of some inappropriate payments was discussed with reference to certain contracts of Saipem do Brasil but in any case, no payment had been made by the Saipem Group. The former Saipem do Brasil associate and the former Petrobras official charged in the same proceeding stated that the contracts awarded by the client to the Saipem Group had been won through regular bidding procedures. During the proceedings against the former associate of Saipem do Brasil, no evidence of irregularities emerged in the management of tenders assigned by Petrobras to Saipem Group and/or evidence of illegal payments by Saipem Group in relation to tenders assigned by Petrobras to Saipem Group and/or evidence of damages suffered by Petrobras in relation to tenders assigned to Saipem Group. Saipem Group has not been involved in this proceeding.
The audit that was concluded in 2016 was relaunched with the support of the same third-party consultant used earlier and with the same methodology in order to analyse some of the information mentioned during the depositions of June 9, 2017.
The audit report, issued on July 18, 2018, confirmed the absence of communications or documents relating to transactions and/or financial movements between companies of the Saipem Group and the personnel of Petrobras under investigation.
With the press release dated May 30, 2019, Saipem informed as follows:
"Saipem: notification of administrative proceedings in Brazil to the subsidiaries Saipem SA and Saipem do Brasil in relation to a contract awarded in 2011.
San Donato Milanese (Milan), May 30, 2019 - Saipem informs that today its French subsidiary Saipem SA and its Brazilian subsidiary Saipem do Brasil were notified by the competent Brazilian administrative authority (Controladoria-Geral da União through the Corregedoria-Geral da União) about the opening of administrative proceedings with respect to alleged irregularities in relation to the award by the Brazilian oil company Petrobras, as leader of the 'Consortium BMS 11', in December 2011, of the contract (whose value was equal to approximately 249 million Brazilian reals, currently equivalent to approximately €56 million) for the installation of the underwater gas pipeline connecting the Lula and Cernambi fields in Santos Basin.
Saipem SA and Saipem do Brasil will cooperate in the administrative proceedings by providing all the clarifications requested by the competent administrative authority and have confidence in the correctness of the award of the above-mentioned contract and in the absence of circumstances to affirm the administrative liability of the companies".
As part of the aforementioned administrative proceedings, on June 21, 2019, Saipem do Brasil and Saipem SA presented their initial defence statements before the competent administrative authority (*Controladoria-Geral da União* through *Corregedoria Geral da União*).
With a communication dated August 21, 2019, the competent administrative authority (*Controladoria-Geral da Uniã*o through *Corregedoria-Geral da União*) informed Saipem do Brasil and Saipem SA that, following the preliminary investigation carried out up to that moment, the administrative procedure has not been closed and invited Saipem do Brasil and Saipem SA to present further defence statements by September 20, 2019.
Saipem do Brasil and Saipem SA submitted their defence statements by the set deadline. On April 24, 2020, the competent Brazilian Administrative Authority (*Controladoria-Geral da União* through the *Corregedoria-Geral da União*) ordered a 180-day postponement for the conclusion of the administrative procedure.
On November 30, 2020, Saipem SA and Saipem do Brasil submitted further defence statements before the Brazilian Administrative Authority (*Controladoria-Geral da União* through the *Corregedoria-Geral da União*).
On December 29, 2022, it was published in the *Diario Oficial da Uniao* the decision of the Minister at the *Controladoria-Geral da União* which applied against Saipem SA and to Saipem do Brasil the sanction of the interdiction from participating in tenders or concluding agreements with the Brazilian Public Administration with suspended effect.
On January 9, 2023, the aforementioned Saipem companies presented a request to review the decision of December 29, 2022, within the *Controladoria-Geral da União*.
On January 12, 2024, the ruling by the *Controladoria-Geral da União* was published in the *Diario Oficial da Uniao*, applying against Saipem SA and Saipem do Brasil the sanction of suspension from participating in tenders or entering into agreements with the Brazilian Public Administration for a period of 2 years.
On the same date, by press release, Saipem SpA informed as follows:
"With reference to the press release of May 30 2019, we inform that the Brazilian Controladoria-Geral da União (CGU) has published today its final ruling in the administrative proceedings initiated against Saipem SA and Saipem do Brasil in reference to alleged irregularities in the award, dating back to December 2011, by the BM-S-11 Consortium, of the contract for the installation of a gas pipeline.
The CGU has amended its previous interim decision consisting in the ban on contracting with the Public Administration issued on December 29, 2022 and substituted it with the temporary suspension limited to a period of two years.
The reclassification of the sanction was obtained also thanks to the recognition by the same CGU of the effectiveness of the Compliance model of the two companies.
The sanction has no impacts on the ongoing projects in Brazil since it applies solely to potential new contracts and concerns exclusively dealings with the Public Administration.
Notwithstanding the above, Saipem SA and Saipem do Brasil intend to appeal the decision in the appropriate jurisdictions, considering it to be inconsistent with what the companies demonstrated during the proceedings".
On January 18, 2024, Saipem SA and Saipem do Brasil filed their appeal before the Federal District Court in Brasilia. CGU also filed its appeal.
The appeal is still pending.
On June 8, 2020, the Brazilian Federal Prosecutor's office issued a press release informing of a new charge against a former President of Saipem do Brasil, who left the Saipem Group on December 30, 2009. The charge concerns alleged episodes of corruption and money laundering that allegedly occurred between 2006 and 2011 in relation to two contracts awarded by Petrobras Group companies to Saipem Group companies (the Mexilhao contract signed in 2006 and the Uruguà-Mexilhao contract signed in 2008).

The new charge was made only against individuals (not Saipem Group companies) and involved, in addition to the former President of Saipem do Brasil, some former Petrobras officials.
The Brazilian Federal Court of Curitiba on July 6, 2020, accepted the complaint filed by the Brazilian Federal Prosecutor's Office against the former Chairman of Saipem do Brasil (who left the company on December 30, 2009) and a former Petrobras official against whom a criminal trial was opened in Brazil. Petrobras was admitted as plaintiff (*Assistente do Ministerio Publico*) in the same proceeding against the two accused persons. No company of the Saipem Group is party to this proceeding.

PUBLIC PROSECUTOR'S OFFICE AT THE COURT OF AGRIGENTO (SICILY)

On June 28, 2024, Guardia di Finanza (the Italian Financial Police) of Milan, on the instructions of the Agrigento Public Prosecutor's Office, served Saipem SpA with a notice stating the conclusion of preliminary investigations as part of proceedings registered with the Agrigento Public Prosecutor's Office for an alleged administrative offence under Article 25-*sexiesdecies* of Legislative Decree No. 231/2001, in connection with alleged irregularities in the payment of taxes as part of the ordinary refuelling of a ship owned by a third-party company, which Saipem SpA had chartered.
No employees or representatives of Saipem SpA are under investigation.
The act was allegedly committed in Italian territorial waters near the municipality of Licata (Agrigento, Sicily) on November 19, 2023.
The notice stating the conclusion of preliminary investigations shows that the Agrigento Public Prosecutor's Office ordered the registration, on May 24, 2024, of Saipem SpA as an entity under investigation under Legislative Decree No. 231/2001.

FOS CAVAOU

With regard to the Fos Cavaou ("FOS") project for the construction of a regasification terminal, the client Société du Terminal Méthanier de Fos Cavaou ("STMFC", now Fosmax LNG) in January 2012 commenced arbitration proceedings before the International Chamber of Commerce in Paris ("Paris ICC") against the contractor STS, a French "société en participation" made up of Saipem SA (50%), Tecnimont SpA (49%) and Sofregaz SA (1%). On July 11, 2011, the parties signed a mediation memorandum pursuant to the rules of Conciliation and Arbitration of the Paris ICC. The mediation procedure ended on December 31, 2011 without agreement having been reached, because Fosmax LNG refused to extend the deadline.
The brief filed by Fosmax LNG in support of its request for arbitration included a demand for payment of approximately €264 million for damages allegedly suffered, penalties for delays and costs for the completion of works (*mise en régie*). Of the total sum demanded, approximately €142 million was for loss of profit, an item excluded from the contract except for cases of willful misconduct or gross negligence. STS filed its defence brief, including a counterclaim for compensation for damage due to excessive interference by Fosmax LNG in the execution of the works and for the payment of extra work not approved by the client (and reserving the right to quantify the amount as the arbitration proceeds). On October 19, 2012, Fosmax LNG lodged a *Mémoire en demande*. Against this, STS, on January 28, 2013, lodged its own *Mémoire en défense*, in which it filed a counterclaim for €338 million. The final hearing was held on April 1, 2014. On the basis of the award issued by the Arbitration Panel on February 13, 2015, Fosmax LNG paid STS the sum of €84,349,554.92, including interest on April 30, 2015, of which 50% is due to Saipem SA. On June 26, 2015, Fosmax LNG challenged the award before the French Conseil d'Etat, requesting its annulment on the alleged basis that the Arbitration Panel had erroneously applied private law to the matter instead of public law. On November 18, 2015, a hearing was held before the *Conseil d'Etat*. Subsequently to the submission of the *Rapporteur Public*, the judges concluded the discussion phase. The Rapporteur requested a referral to the *Tribunal des Conflits*. With its judgement of April 11, 2016, the *Tribunal des Conflits* held that the *Conseil d'Etat* had jurisdiction for deciding on the dispute regarding the appeal to overrule the arbitration award of February 13, 2015. On October 21, 2016, a hearing was held before the *Conseil d'Etat* and on November 9, the latter issued its own ruling, with which it partially nullified the award of February 13, 2015, for only the *mise en régie* costs (quantified by Fosmax LNG in €36,359,758), stating that Fosmax LNG should have relinquished such costs back to an arbitration tribunal, unless otherwise agreed by the parties.
Parallel with the aforementioned appeal before the *Conseil d'Etat*, on August 18, 2015, Fosmax LNG also filed an appeal with the Court of Appeal of Paris to obtain the annulment of the award and/or the declaration of nullity of the relevant *exequatur*, the enforceability of which had been recognised and of which Fosmax LNG had been notified on July 24, 2015. On February 21, 2017, the Court of Appeal declared itself incompetent to decide on the annulment of the award and stated that it would postpone the subsequent decision on the alleged nullity of the *exequatur*. On July 4, 2017, the Court annulled the exequatur issued by the President of the *Tribunal de grande instance* and sentenced STS to pay the costs (€10,000) of the proceeding in favour of Fosmax LNG.
On June 21, 2017, Fosmax LNG notified Sofregaz, Tecnimont SpA and Saipem SA, of a request for arbitration, requesting that the aforementioned companies (as members of the *société en partecipation* STS) be jointly and severally condemned to pay the *mise en régie* costs as quantified above beyond delays and legal fees. On April 13, 2018, Fosmax LNG filed its *Mémoire en demande* in which it detailed its demands at €35,926,872 in addition to interest for late payments of approximately €4.2 million. STS filed its brief and response on July 13, 2018, with which it has made the counter claim that Fosmax LNG be ordered to pay €2,155,239 in addition to interest for loss of profit and €5,000,000 for non-material damage.
Hearings were held from February 25 to February 27, 2019. By the award communicated to the lawyers of the parties on July 3, 2020, the Arbitration Tribunal fully rejected the counterclaims made by the STS members and sentenced them, jointly and severally, to pay Fosmax LNG: (i) €31,966,704 for *en règie* works made by Fosmax LNG; (ii) default interest on the aforementioned amount at the annual rate EURIBOR 1 month plus two basis points, starting from the 45th day from the issue of the accepted invoices and up to complete payment; (iii) USD 204,400 as a partial refund of the advance paid by Fosmax LNG for the costs of the arbitration procedure; and (iv) €1,343,657 as compensation for legal defence costs. With an *addendum* to the award, the Arbitral Tribunal provided some clarification on the application of the default interest.
On July 30, 2020, Saipem SA paid Fosmax LNG its share of the principal capital of the award, equal to €16,744,610. In 2021, the appeal process against the award proposed by Tecnimont SpA was concluded with the rejection of the appeal.

By letter dated November 16, 2020, Fosmax LNG's defence jointly notified Tecnimont SpA and Saipem SA to pay the outstanding part of the award within 15 days, quantifying the interest and VAT at €11,374,761. However, there was no consensus on how to calculate interest, and the issue is still under discussion between the parties. Tecnimont SpA paid its capital share and expenses. On December 30, 2021, Saipem SA paid its VAT share (€3,196,670). Tecnimont SpA and Saipem SA agreed to pay FOSMAX LNG only the amount of undisputed interests, notifying such decision to Fosmax LNG through their lawyers. On February 1, 2022, Saipem has therefore made a payment of €3,073,902.

On April 25, 2022, Fosmax LNG notified of a seizure order for four Saipem SA current accounts up to the amount of €5,712,140 plus expenses, for alleged additional interest on arrears over and above the interest already paid. On May 20, 2022, Saipem SA opposed the execution of the seizure. The amount seized is equal to €92,154. Saipem SA, disputing the legitimacy of the action by Fosmax LNG, notified Fosmax LNG that it opposed the execution and requested the annulment of the seizure, deemed illegitimate, and that Fosmax LNG be sentenced to a fine of €3,000 for reckless litigation plus the payment of €20,000 for damages. After the first hearing held on September 14, 2022, the Judge adjourned the case to the hearing of November 23, 2022, for Saipem SA to present its defence. On February 8, 2023, the discussion hearing was held and the Judge retained the case for decision. Following the judge's rejection of Saipem SA's opposition, the latter filed an appeal. The Court of Appeal has set the timetable for the procedure which should end on October 18, 2023 with the final hearing for discussion. On November 29, 2023, the Court of Appeals issued a ruling upholding Saipem SA's appeal, lifting the freezing of current accounts. On January 29, 2024, Fosmax LNG appealed the decision of the Court of Appeals to the Supreme Court. Saipem SA has filed its own counterappeal.

ACTIONS FOR DAMAGES FOLLOWING CONSOB RESOLUTION NO. 18949 OF JUNE 18, 2014

First proceeding with institutional investors

First instance proceedings: On April 28, 2015, a number of foreign institutional investors initiated legal action against Saipem SpA before the Court of Milan, seeking judgement against the Company for the compensation of alleged loss and damage (quantified in approximately €174 million), in relation to investments in Saipem SpA shares which the claimants alleged that they had made on the secondary market. In particular, the claimants sought judgement against Saipem SpA requiring the latter to pay compensation for alleged loss and damage which purportedly derived from the following: (i) with regard to the main claim, from the communication of information alleged to be "imprecise" over the period from February 13, 2012 to June 14, 2013; or (ii) alternatively, from the allegedly "delayed" notice, only made on January 29, 2013, with the first "profit warning" (the so-called "First Notice") of privileged information which would have been in the Company's possession from July 31, 2012 (or such other date to be established during the proceedings, identified by the claimants, as a further alternative, on October 24, 2012, December 5, 2012, December 19, 2012 or January 14, 2013), together with information which was allegedly "incomplete and imprecise" disclosed to the public over the period from January 30, 2013 to June 14, 2013, the date of the second "profit warning" (the so-called "Second Notice"). Saipem SpA appeared in court, case number R.G. 28789/2015, fully disputing the adverse parties' requests, challenging their admissibility and, in any case, their lack of grounds.

On November 9, 2018, the Court of Milan issued the first instance ruling No. 11357 rejecting the merit of the request by the parties. The Court has indeed ruled that there is lack of evidence of ownership of Saipem SpA shares by said plaintiffs in the period indicated above and has condemned them to pay €100,000 in favour of Saipem SpA, by way of reimbursement of legal expenses.

Appeal proceedings: on December 31, 2018, the institutional investors challenged the aforementioned sentence before the Court of Appeal of Milan, requesting that Saipem SpA be ordered to pay approximately €169 million. On February 23, 2021, the Judge ordered an integrative evidence phase.

On April 14, 2022, the court technical expert ("CTU") filed his technical report integrated on February 20, 2023. On March 6, 2023, at the request of the Court of Appeal, the court technical expert filed a clarification. At the hearing of May 3, 2023, the decision was retained.

In a ruling dated November 7, 2023, the Milan Court of Appeals partially reformed the first instance ruling and – against a claim of more than €170 million (plus interest and revaluation) – partially upheld that claim granting approximately €10.2 million (plus interest and revaluation). The Milan Court of Appeals substantially rejected the investors' claims, having found Saipem SpA liable only for an informational delay for a very limited period of time.

Supreme Court: on December 21, 2023, Saipem SpA filed an appeal to the Supreme Court against the ruling of the Milan Court of Appeals.

On January 30, 2024, the investors filed their counter-appeal and cross-appeal.

Saipem SpA filed its own counter-appeal in response to the cross-appeal within the legal deadlines.

Second proceeding with 27 institutional investors

First instance proceedings: with a writ of summons dated December 4, 2017, twenty-seven institutional investors initiated legal action before the Court of Milan section specialised in the field of corporate law, against Saipem SpA and two former Chief Executive Officers of said company, requesting that they are jointly condemned to pay compensation (with respect to the two former members of the company, limited to their periods of stay in office) for damages, material and non-material, allegedly suffered due to an alleged manipulation of information released to the market during the period between January 2007 and June 2013.

Saipem SpA liability was assumed pursuant to Article 1218 of the Civil Code (contractual liability) or pursuant to Article 2043 of Civil Code (non-contractual liability) or pursuant to Article 2049 of the Civil Code (owner and client liabilities) for the illegal conduct committed by the two former company representatives.

The Company appeared in Court to contest the claims in full, pleading inadmissibility and in any case the groundlessness in fact and in law.

In the pleading pursuant to Article 183, paragraph 6, No. 1, Civil Procedure Code, the plaintiffs provided for the quantification of damages allegedly suffered in the amount of approximately €139 million. With the pleading under Article 183, paragraph 6, No. 3, Civil Procedure Code, one of the plaintiffs declared to waive the action pursuant to Article 306, Civil Procedure Code.
On November 9, 2018, the Company filed sentence No. 11357 issued by the Court of Milan on November 9, 2018 at the outcome of case R.G. No. 28789/2015, as this provision decided the same preliminary issues of merit raised by Saipem SpA and the other defendants in the case under consideration, in particular with reference to the failed proof of purchase of Saipem SpA shares.
On November 9, 2019, Saipem SpA produced in the proceedings the order of the Criminal Court of Milan dated October 17, 2019, with reference to the pending criminal judgment R.G.N.R. 5951/2019, in which the constitution of approximately 700 civil parties was declared inadmissible in that case, with reasons similar to those of judgment No. 11357 issued by the Court of Milan on November 9, 2018 at the outcome of case R.G. No. 28789/2015.
On February 9, 2021, the Judge held the case in decision – having deemed it necessary to remit the decision on all claims and exceptions made by the parties to the Court – setting the legal terms for the filing of the final statements and the replies which were respectively filed on April 12 and May 3, 2021.
With a ruling dated November 20, 2021, the Court of Milan ruled in favour of Saipem SpA, rejecting the plaintiffs' claims for approximately €101 million out of €139.6 million, considering the ownership of Saipem SpA shares in the relevant period to be unproven.
Investors have paid Saipem SpA approximately €150,000 in legal fees.
The Court of Milan, with the above ruling and with an order dated November 20, 2021, referred the case to the preliminary investigation for claims made by other plaintiffs for damages amounting to a total of approximately €38 million.
With a correction order dated March 10, 2022, the Court of Milan – at the request of all the parties in the proceedings – made some changes to the first instance sentence, adding some plaintiffs and funds/assets separated to the group of those whose claims had been fully rejected, and adding other plaintiffs and funds/assets to the group of investors for which the prosecution in first instance was ordered.
By order dated October 4, 2022, communicated on October 6, 2022, reserving any assessment on the relevance of the criminal acquittal decision dated December 21, 2021 issued in the R.G.N.R. 5951/2019 proceedings and the court technical expert report ("CTU") rendered in the R.G. 28789/2015 proceedings (both produced by Saipem SpA in the proceedings), the Court decided to initiate the expert technical activity ordered on November 20, 2021, with a question crystallized in the cross-examination of the parties at the hearing of December 14, 2022, appointing the same technical expert of the R.G. 28789/2015 proceedings.
On December 10, 2024, a hearing will be held to discuss an application filed by investors regarding the usability of certain documents in the course of expert investigations. The deadline for filing the expert opinion is set – as a result of subsequent postponements – for June 26, 2025.
Appeal proceedings: on January 22, 2022, Saipem SpA appealed the ruling issued by the Court of Milan on November 20, 2021, insofar as it remanded the claims of these plaintiffs for investigation. The parties appeared in the proceedings within the terms, also formulating a cross-appeal against the same sentence.
On January 24, 2022, the investors whose claims were rejected, because they had failed to prove they owned Saipem SpA shares in the relevant period, had also appealed the ruling of November 20, 2021.
Saipem SpA appeared in this judgment with a brief filed on May 25, 2022, also containing a cross-appeal. The other defendants appeared by filing a brief with cross- appeal on May 19 and May 20, 2022.
In light of the changes made by the correction order (*ordinanza di correzione*) of the Court of Milan on March 10, 2022 to the judgement of the Court of Milan of November 20, 2021, Saipem SpA, on March 18, 2022, challenged the judgement also in the parts corrected by the correction order, with reference to the plaintiffs and funds initially omitted from the proceeding and subsequently "added" to the group of those for which the continuation of the trial in the first instance had been ordered. The other parties appeared in the proceedings filing their briefs on July 25, 2022.
Three appeals were pending against the same ruling and, at the request of the parties, on September 28, 2022, the Court of Appeal united the three appeals. At the final hearing closing arguments were submitted by the parties in the three combined proceedings, held on July 5, 2023, the case was held in decision, setting terms for the exchange of final briefs and replies to be filed by the Company within the legal deadlines. The Company awaits the appeal ruling.

Third proceedings with 27 institutional investors

On December 1, 2022, 27 institutional investors served Saipem SpA and two previous managing directors of the Company with a writ of summons before the Civil Court of Milan – section specialised in corporate matters – requesting jointly (with respect to the two former company representatives, limited to their respective terms of office) the compensation for pecuniary and non-pecuniary damages allegedly suffered in the period between January 2007 and June 2013.
The liability of Saipem SpA is claimed pursuant to Article 1218, Civil Code (contractual liability), or pursuant to art. 2043, Civil Code (non-contractual liability), or pursuant to Article 2049, Civil Code (liability of owners and clients) for the offences allegedly committed by the two former company representatives sued, as well as liability for a crime pursuant to Article 185 Italian Criminal Code.
The amount of damage is not quantified by the plaintiffs, who reserved the right to proceed with the related quantification during the proceedings.
In its defence, Saipem SpA appeared before the Court on September 27, 2023, contesting each charge and requesting the dismissal of all investors' claims.
On November 22, 2023, the first hearing was held in which some preliminary issues of Saipem SpA were discussed, and the Judge reserved the right to proceed. On February 21, 2024, the Judge decided to deal in advance with the issue of the plaintiffs'

standing/representation with respect to the merits of the case. The hearing was adjourned to September 24, 2024 to deal with this issue, the Judge having given deadlines to the parties to submit the relevant briefs.

OTHER ACTIONS FOR DAMAGES BROUGHT BY INVESTORS

Proceedings with 14 investors

On December 21, 2023, 14 investors served Saipem SpA with a writ of summons before the Court of Milan, claiming the Company's alleged liability, pursuant to Article 94 et seq., of Legislative Decree No. 58 of February 24, 1998, and Articles 1337 and/or 2043 of the Italian Civil Code for having allegedly communicated erroneous and misleading information to the market in the period between the date of publication of the financial results for the first nine months of 2015, i.e., October 27, 2015, and the date of publication of the results for the first nine months of 2016, i.e., October 25, 2016, with regard to, inter alia, the 2016-2019 Strategic Plan, the 2015 consolidated financial statements, and the documentation relating to the 2016 capital increase.
The claim for damages is formulated with regard to the difference between the investment in Saipem shares made by the plaintiffs during the relevant period and the value of the shares on the date of sale or, if still held by the investor, on the date of the summons' notification, for an overall amount (combining the claims of the individual plaintiffs) of approximately €1.7 million.
On February 26, 2024, Saipem SpA appeared in the proceedings. The Court of Milan confirmed the first hearing on May 6, 2024, and set deadlines for the parties to file supplementary briefs. At the hearing on May 6, 2024, the Court of Milan did not admit the expert appraisal requested by the plaintiff and set the final hearing for September 11, 2024.
Demands for out-of-court settlement and mediation proceedings: in relation to alleged delays in providing information to the market, Saipem SpA received a number of out-of-court claims and requests for mediation during the period 2015-2023 and in the first months of 2024.
With regard to out-of-court requests, the following were made: (i) in April 2015 by 48 institutional investors on their own behalf and/or on behalf of the funds respectively managed for a total amount of approximately €291.9 million, without specifying the value of the claims of each investor/fund (subsequently, 21 of these institutional investors together with 8 others proposed a request for mediation, for a total amount of approximately €159 million; 5 of these institutional investors together with 5 others proposed a request for mediation, for a total amount of approximately €21.9 million); (ii) in September 2015 by 9 institutional investors on their own behalf and/or on behalf of the funds respectively managed, for a total amount of approximately €21.5 million, without specifying the value of the claims of each investor/fund (subsequently 5 of these institutional investors together with 5 others proposed a request for mediation, for a total amount of approximately €21.9 million); (iii) during 2015 by two private investors respectively for approximately €37,000 and for approximately €87,500; (iv) during July 2017 by some institutional investors for approximately €30 million; (v) on December 4, 2017 by 141 institutional investors for an unspecified amount (136 of these investors on June 12, 2018 renewed their out-of-court request, again for an unspecified amount); (vi) on April 12, 2018 for approximately €150-200 thousand by a private investor; (vii) on July 3, 2018 by a private investor for approximately €330 thousand; (viii) on October 25, 2018 for approximately €8,800 from three private investors; (ix) on November 2, 2018 for approximately €48,000 from a private investor; (x) on May 22, 2019 for approximately €53,000 from a private investor; (xi) on June 3, 2019 for an unspecified amount from a private investor; (xii) on June 5, 2019 for an unspecified amount from two private investors; (xiii) in February 2020 by a private investor who claims to have suffered damages worth €1,538,580; (xiv) in March 2020 by two private investors who did not indicate the value of their claims; (xv) in April 2020 by two private investors who did not indicate the value of their claims and by a private investor claiming alleged damages of approximately €40,000; (xvi) in May 2020 by a private investor who did not indicate the value of his claim; (xvii) in June 2020 by one private investor who did not indicate the value of its claim for damages; (xviii) in June 2020 by twenty-three private investors who did not indicate the value of their claim for damages; (xix) in July 2020 by eighteen investors claiming damages of approximately €22.4 million; (xx) in July 2020 by thirty-four private investors who did not indicate the value of their claim for damages; (xxi) in August 2020: (a) by four private investors who did not indicate the value of their claim; (b) by three institutional investors in their own right and/or on behalf of the funds respectively managed for an amount of approximately €7.5 million; (xxii) in September 2020 by ten private investors who did not indicate the value of their claim; (xxiii) in October 2020 by: (a) twelve private investors who did not indicate the value of their claim, (b) by one private investor claiming to have suffered damages in the amount of €113,810, (c) by six hundred and forty-four associated private investors who did not indicate the value of their claim and (d) by three institutional investors in their own right and/or on behalf of the funds respectively managed for a total amount of €115,000; (xxiv) in November 2020: (a) by eleven private investors who did not indicate the value of their claim, (b) by two institutional investors in their own right and/or on behalf of the funds respectively managed for an amount of approximately €166,000; (xxv) in December 2020 by ten private investors who did not indicate the value of their claim and by one private investor who claims to have suffered damages in the amount of €234,724; (xxvi) in January 2021 by four private investors who did not indicate the value of their claim; (xxvii) in March 2021 by three private investors who did not indicate the value of their claim and by five associated private investors who did not indicate the value of their claim; (xxviii) in April 2021 (a) by one private investor who did not indicate the value of his claim; (b) by fourteen institutional investors in their own right and/or on behalf of the funds respectively managed for a total amount of approximately €3 million; (xxix) in May 2021 (a) by two private investors who did not indicate the value of their claim, (b) by one private investor who indicated the value of his claim in a total amount of approximately €100,000 and (c) by a private investor who indicated the value of his claim in a total amount of approximately €84,000; (xxx) in July 2021 by a private investor who indicated the value of his claim in a total amount of approximately €92,000; (xxxi) in December 2021 by two private investors who indicated the value of their claim in a total amount of approximately €143,000; (xxxii) in January 2022 by 161 private investors who indicated the value of their claim in a total amount of approximately €23 million; (xxxiii) in May 2022 by 6 institutional investors who indicated the value of their claim in a total amount of €3.9 million and by 103 private investors claiming approximately €7.9 million; (xxxiv) in June 2022 by 14 private investors claiming a total of approximately €1.9 million; (xxxv) in July 2022 by two private investors claiming a total of approximately €387,000; (xxxvi) in September 2022 by 7 private investors claiming approximately €385 million; (xxxvii) in December 2022 by 1 private investors claiming approximately €106 million for a total amount of more than 1,000 claims for a total value of more than €300,000,000. Those applications where mediation has

been attempted, but with no positive outcome, involve further demands: (a) in April 2015 by 7 institutional investors acting on their own behalf and/or of the funds managed by them, in relation to about €34 million; (b) in September 2015 by 29 institutional investors on their own behalf and/or for the funds managed by them respectively, for a total amount of approximately €159 million (21 of these investors, together with another 27, submitted out-of-court demands in April 2015, complaining that they had suffered loss and damage for a total amount of approximately €291 million without specifying the value of the claims for compensation for each investor/fund); (c) in December 2015 by a private investor in the amount of approximately €200,000; (d) in March 2016 by 10 institutional investors on their own and/or on behalf of the funds managed by each respectively, for a total amount of approximately €21.9 million (5 of these investors together with another 4 had presented out-of-court applications in September 2015 complaining they had suffered loss and damage for a total amount of approximately €21.5 million without specifying the value of the compensation sought by each investor/fund. Another 5 of these investors, together with a further 43, had submitted out-of-court applications in April 2015 alleging they had suffered loss and damage for an amount of approximately €159 million without specifying the value of the compensation sought by each investor/fund); (e) from a private investor in April 2017 for approximately €40,000; (f) in 2018-2019 by a private investor for approximately €48,000; (g) in December 2020, a private investor initiated an attempt at mediation aimed at the request of compensation for an undetermined value; (h) in October 2022 by a private investor initiated an attempt at mediation aimed at the request of compensation for an undetermined value; (i) in November 2022 by a private investor initiated an attempt at mediation aimed at the request of compensation for approximately €20,000; (l) in March 2023 by 44 private investors who did not state the value of their claim; (m) in May 2023 by a private investor for about €7,000; (n) in June 2023, by a private investor who did not state the value of the claim; (o) in July 2023, by a private investor for approximately €60,000; (p) in January 2024, by a private investor for approximately €40,000; (q) in February 2024 by two private investors who did not quantify the amount of their claims and by two private investors who indicated the total value of their claim at €54,000.
Saipem SpA verified the aforementioned requests for out-of-court claims and mediation and found them to be groundless. As of today, the aforementioned requests carried out out-of-court and/or through mediation have not been the subject of legal action, except as specified above in relation to the four lawsuits pending before the Court of Milan, the Court of Appeal of Milan and the Supreme Court, respectively, and to another lawsuit, with a claim value of approximately €3 million, in which Saipem SpA had been summoned during 2018 by the defendant in the action and for which (after the claim against Saipem SpA was rejected by the Court of First Instance in the first instance and the Court of Appeal in the second instance, accepting Saipem SpA 's defence, rejected the counterparty's appeal, ordering the latter to pay Saipem SpA the costs of the litigation) is pending before the Supreme Court, another case with a claim value of approximately €40 thousand – which ended with a ruling in favour of Saipem SpA, and another case served on Saipem SpA with a claim value of approximately €200,000 which also ended in favour of Saipem and another case with a claim value of approximately €20,000

ARBITRATION BETWEEN GALFAR ENGINEERING AND CONTRACTING ("GALFAR") AND SAIPEM SPA ("SAIPEM") (PROJECT DUQM REFINERY, OMAN)

In March 2023, Saipem was served with a request for arbitration, administered by the International Chamber of Commerce, from the Omani company, Galfar (subcontractor in the Duqm Refinery project, Oman).
Galfar requests that Saipem be ordered to pay USD 43,478,843.56 for prolongation costs (extension of time) and variation orders not recognised by Saipem. Galfar also contests the back charges of USD 14,617,966.13 made by Saipem.
Saipem filed the response to the arbitration request on May 12, 2023, appointing its arbitrator, contesting Galfar's claims and proposing a counterclaim of approximately USD 20 million consisting of liquidated damages and back charges. Having established the Arbitration Panel, the parties agreed on the proceedings' schedule, under which the final hearing is to be held from April 7 to 11, 2025; however, the schedule is currently being amended.
On March 1, 2024, Galfar filed its statement of case, in which it reduced its claim to USD 41,068,953.17.
The parties are reviewing the arbitration schedule: according to the schedule currently being discussed Saipem is expected to file its statement of defense in the third quarter of 2024.

ARBITRATION BETWEEN NATIONAL CONTRACTING CO ("NCC") AND SNAMPROGETTI SAUDI ARABIA ("SSA") (KHURAIS PROJECT, SAUDI ARABIA)

On July 17, 2023, SSA was served with a request for arbitration, administered by the International Chamber of Commerce, ICC, from the Saudi company NCC (a subcontractor in the Khurais Expansion Project) seeking an order for SSA to pay SAR 562,305,560 (approximately €135.7 million equivalent at the exchange rate of December 31, 2023) for prolongation costs (extension of time), variation orders and other damages.
SSA entered into arbitration on August 10, 2023 contesting NCC's claims and submitting a total counterclaim of approximately SAR 225,315,403 (approximately €54.4 million equivalent at the exchange rate of December 31, 2023).
Having established the Arbitration Panel, the parties agreed on the proceedings' calendar, under which the final hearing will be held from July 7, 2025.
On May 13, 2024, NCC filed its statement of case, in which it further argued its claims and increased its compensation claim from SAR 562,305,560 to SAR 787,683,134.251 (approximately €196 million equivalent at the exchange rate of June 30, 2024) plus interest amounting to either SAR 121,589,569.50 (approximately €30.2 million equivalent at the exchange rate of June 30, 2024) or SAR 87,336,419.45 (approximately €21.7 million equivalent at the exchange rate of June 30, 2024) for various items of damages.
On July 22, 2024, SSA filed its statement of defense.

LITIGATION INITIATED BY ISIODU COMMUNITY IN EMOHUA LOCAL GOVERNMENT AREA OF RIVERS STATE + OTHERS

HRH Eze Jacob O Ugwugwueli, Chief Tobin Iregbundah, Chief Robinson Chukwu, Chief Sunday P. Azundah, Elder Clifford Ikpo, Chief Samuel C. Azundah (on its own and on behalf of the Council of Chiefs and people of Isiodu Community in Emohua Local

Government Area of Rivers State (together the "Plaintiffs") sued Saipem Contracting Nigeria Ltd ("SCNL"), Shell Petroleum Development Company Nigeria Ltd ("SPCD"), Patyco Global Concept Ltd, the Nigerian Federal Ministry of Environment and the Nigerian Department of Petroleum Resources before the Federal High Court of Port Harcourt (Nigeria) alleging that toxic substances deriving from the realisation of the Southern Swamp Associated Gas Solutions project in Nigeria were illegally spilled into the territory of their community by the Nigerian company Patyco Global Concept Ltd, a subcontractor appointed by SCNL/SPDC to dispose of the waste deriving from the realisation of this project. The Plaintiffs requested that all the defendants be sentenced to pay, jointly and severally, compensation of: (i) USD 60 million (approximately €49.5 million) for the alleged damage to the environment and the health/life of the Plaintiffs; (ii) USD 3 billion (approximately €2.47 billion) for the alleged special damages for all of the related consequences and recovery activities that would allegedly derive from them; (iii) legal fees and interest at 20%. The defendants contest any responsibility vis-à-vis the claims put forth by the Plaintiffs. After several postponements, the first hearing was held on March 30, 2022. At the hearing the judge postponed the proceeding to June 23, 2022 and to further dates without entering into the merit of the case. At the next hearing of September 28, 2023, some preliminary issues were discussed.
On April 24, 2024, the Court upheld the plaintiffs' petition to replace the Department of Petroleum Resources (not a legal entity) with the Nigerian Upstream Petroleum Regulatory Commission. The Court then adjourned the hearing until October 3, 2024.

ARBITRATION BETWEEN SAIPEM SPA AND MONJASA LTD ("CASSIOPEA" PROJECT)

On April 16, 2024, Saipem SpA initiated arbitration against the Cypriot company Monjasa Ltd to obtain compensation for damages incurred due to a breach of contract resulting in the temporary grounding of a Saipem chartered vessel. These damages were preliminarily quantified by Saipem at USD 27,404,000 and €1,000,000, plus interest and legal fees.
On May 15, 2024, Monjasa filed its response to the demands requesting the rejection of Saipem's claims and the counterclaim payment of €1,000,000.
On July 1, 2024, the ICC confirmed the co-arbitrators' appointment of the President of the Arbitral Tribunal. Preliminary activities aimed at defining the arbitration schedule and the rules of the procedure are underway.

CONSOB RESOLUTION OF MARCH 2, 2018

With reference to Consob Resolution No. 20324 of March 2, 2018 (the "Resolution"), Saipem SpA Board of Directors, resolved on March 5, 2018, to appeal the Resolution in the competent courts.
The appeal to the Regional Administrative Court (TAR)-Lazio was filed on April 27, 2018. Following access to the administrative proceedings, on May 24, 2018 Saipem SpA filed with the TAR-Lazio additional grounds for appeal against the aforementioned Resolution.
On June 15, 2021, a hearing was held before the TAR-Lazio to discuss Saipem SpA's appeal against the Consob Resolution of March 2, 2018.
On July 6, 2021, the TAR-Lazio rejected the appeal filed by Saipem SpA on April 27, 2018.
On July 6, 2021, Saipem SpA issued the following press release:
"Saipem: the Regional Administrative Court of Lazio rejects the appeal against Consob Resolution No. 20324 of March 2, 2018.
San Donato Milanese (Milan), July 6, 2021: Saipem informs that with the judgment filed today the Tribunale Amministrativo Regionale ('TAR') of Lazio rejected the appeal submitted by the Company on April 27, 2018 against Consob Resolution No. 20324 of March 2, 2018 (disclosed to the market in the press release of March 5, 2018, the 'Resolution').
*With the Resolution (the contents of which are described in paragraph 'Information regarding censure by Consob under Article 154-*ter*, paragraph 7, Legislative Decree No. 58/1998 and the notice from the Consob Offices dated April 6, 2018', of Saipem Annual Report as of December 31, 2020) Consob has stated the non-compliance of Saipem's 2016 Annual Statutory and Consolidated Reports with the regulations which govern their preparation, concerns in particular: (i) the incorrect application of the accrual basis of accounting affirmed by IAS 1; (ii) the non-application of IAS 8 in relation to the correction of errors with reference to the financial statements of 2015; and (iii) the estimation process of the discount rate pursuant to IAS 36.*
*With the Resolution, Consob has therefore asked the Company, under Article 154-*ter*, paragraph 7, Legislative Decree No. 58/1998, to disclose the following elements of information to the markets: (A) the weaknesses and non-compliance identified by Consob in relation to the accounting correctness of the financial statements mentioned above; (B) the applicable international accounting standards and the violations detected in relation thereto; (C) the illustration, in an appropriate pro-forma consolidated income statements and balance sheet – with comparative data – of the effects that accounting in compliance with the regulations would have produced on the 2016 balance sheet, income statement and shareholders' equity, for which incorrect information was supplied.*
Saipem on April 16, 2018 issued a press release providing a pro forma consolidated income statements and balance sheet as of December 31, 2016 with the only aim to comply with the Resolution.
The TAR of Lazio has rejected the appeal presented by Saipem requesting the annulment of the Resolution.
Saipem reserves its right to appeal the decision of the TAR of Lazio before the Council of State".
On November 6, 2021, Saipem SpA filed its own appeal before the Council of State against decision of the TAR-Lazio.
On March 7, 2024, a hearing was held before the Council of State to discuss the merits of the appeal brought by Saipem SpA against the ruling of the TAR-Lazio. In a ruling dated March 19, 2024, the Council of State dismissed the appeal, dividing costs between the parties in view of the novelty of the matter and the complexity of the issues raised.

CONSOB RESOLUTION OF FEBRUARY 21, 2019

With reference to Consob Resolution No. 20828 of February 21, 2019, communicated to Saipem SpA on March 12, 2019 (the "Resolution") the contents of which are described in paragraph "Information regarding censure by Consob pursuant to Article 154-*ter*, paragraph 7, Legislative Decree No. 58/1998 and the notice from the Consob Offices dated April 6, 2018". The Board of Directors of Saipem SpA resolved on April 2, 2019, to appeal the Resolution before the Court of Appeal of Milan. On April 12,

2019, Saipem SpA appealed against the Resolution before the Court of Appeal of Milan, under Article 195 TUF, requesting the Resolution cancellation. A similar appeal was filed by the two individuals sanctioned under the Resolution, i.e. the Chief Executive Officer of Saipem SpA and the Chief Financial Officer and Officer responsible for financial reporting in office at the time of the events. The first hearing before the Milan Court of Appeal was held on November 13, 2019.
On that day, the Milan Court of Appeal postponed the discussion to November 4, 2020.
On October 23, 2020, Saipem SpA and the two individuals sanctioned submitted an application to the Court of Appeal, to be allowed to file documents required to debate the appeal by November 4, 2020.
On November 2, 2020, the Court of Appeal authorised the filing of the documents requested on October 23, 2020 by the parties, also granting Consob a deadline to submit any counter-arguments on those documents by December 15, 2020 and postponed the hearing to discuss the appeal to January 27, 2021.
On January 20, 2021, Saipem SpA and the two individuals sanctioned presented a new application to the Court of Appeal, to be allowed to file additional documents required to debate the appeal by January 27, 2021, and to be authorised to propose new grounds for the appeal. which came to light when new documents were found.
On January 21, 2021, the Court of Appeal accepted the applications by Saipem SpA and the individuals and authorised the filing of the documents requested on January 20, 2021. The Court also upheld the proposal of additional grounds, to be submitted through written filings by February 26, 2021, and also granted Consob the right to submit its counter filings by March 25, 2021. The Court set the hearing for April 21, 2021.
At the hearing of April 21, 2021, the appeals were discussed.
The Milan Court of Appeal has partially upheld the appeals, whilst it rejected the remaining:

- reducing from €200,000 to €150,000 the administrative financial fine imposed by Consob in 2019 against the former Chief Executive Officer of the Company in office from April 30, 2015, to April 30, 2021;
- reducing from €150,000 to €115,000 the administrative financial fine imposed by Consob in 2019 against the former CFO and Officer responsible for the Company's financial reporting in office at the time of the capital increase of 2016 and until June 7, 2016; and
- consequentially reducing from a total of €350,000 to a total of €265,000 the condemnation of Saipem SpA to the payment of the afore mentioned administrative financial fines, as the party jointly and severally liable pursuant to Article 195, paragraph 9, of the Italian Consolidated Law on Finance.

On January 20, 2022, Saipem SpA has filed an appeal to the Supreme Court against the sentence of the Court of Appeal of Milan.
On March 1, 2022, Consob has notified Saipem SpA of its cross-appeal with counterclaim.
Saipem SpA's cross-appeal against Consob's counterclaim was notified on April 8, 2022.
The proceeding is pending. The hearing before the Supreme Court has not been set yet.

Tax disputes

The Group is a party in tax proceedings. The risk assessment for the purpose of recognising tax liabilities and tax provisions in the financial statements is made on the basis of updated available information, including information acquired by external consultants providing the Group with tax consultant support.
A summary of the most important tax disputes is provided below.

Snamprogetti Saudi Arabia Ltd

On October 21, 2020, the Saudi tax authority, following a tax audit on the tax periods from 2015 to 2018, notified Snamprogetti Saudi Arabia Ltd of an assessment of higher taxes on income and omitted withholding taxes for a total amount of €193 million, updated with regard to both the penalty component and the exchange rate adjustment as of the reporting date.
The main findings disputed that led to the demand for higher income taxes concern:

- restatement of higher taxable amounts corresponding to the difference between the values of the imported goods resulting from the declarations submitted to the Saudi customs and the value of the goods purchased from foreign suppliers booked in the accounts. The explanation for this difference lies instead in the purely administrative activity of importing project materials carried out, based on precise contractual provisions, by the Saudi subsidiary on behalf of its local clients, actual buyers of those same materials;
- assessment of higher taxable amounts corresponding to 25% of the revenues of a contractual joint venture (therefore an unincorporated entity, that is a temporary association of companies that does not give rise to a new autonomous legal entity separate from the shareholders) constituted by Snamprogetti Saudi Arabia Ltd together with a local partner for the execution of a contract on behalf of Saudi Aramco. The defence of the company is essentially based on the fact that, since the joint venture is totally transparent, its revenues are periodically attributed pro-rata to the two partners, on the basis of the provisions of the collaboration agreement, and are therefore regularly taxed via the partners;
- denial of the deductibility of accruals of costs pertaining to previous years and carried forward to the years that have been audited. The Saudi tax authority raised the assessment by completely ignoring the reversals of those accruals made by the company in the tax periods audited, in accordance with national and international accounting standards. These reversals had in fact totally sterilised the economic, and therefore also fiscal, effects of those provisions on the income declared by the company for the periods being assessed.

As regards the finding in respect of the omitted withholding taxes, on the other hand, the Saudi tax authority claimed the existence of a permanent establishment of some foreign companies of the Group providing services in favour of Snamprogetti Saudi Arabia Ltd and consequently claimed the failure to apply withholding taxes to the related payments in accordance with the domestic law. In making this claim, the Saudi tax authority did not consider the provisions of the Double Tax Treaty signed by Saudi Arabia with the countries of residence of the service provider companies (Italy and the Netherlands), which prevail over the domestic law. In particular, Article 5, paragraph 21 of the OECD model convention, applicable in this case, establishes that the

provision of services by a company resident in a contracting state may give rise to the existence of a permanent establishment in the other contracting state only in case the activities are actually carried out in that same state. In this respect, all the activities were carried out by the non-Saudi companies of the Group entirely at their own head offices. On April 26, 2022, Saipem SpA submitted an application to the Italian Revenue Agency for the initiation of a Mutual Agreement Procedure (MAP) based on Article 25 of the Double Tax Treaty stipulated between the Republic of Italy and the Kingdom of Saudi Arabia as the notices of assessment would not comply with the provisions of Articles 5 and 7 of the Treaty itself. The initiation of the mutual agreement procedure resulted in the suspension of the administrative proceedings in Saudi Arabia, solely with respect to the matter covered by the MAP. On September 1, 2022, Saipem Contracting Netherlands BV submitted the same application to the Dutch tax authorities.
On December 19, 2020, Snamprogetti Saudi Arabia Ltd filed an application for cancellation of the assessment to the Saudi tax authority which was rejected on March 16, 2021. Consequently, on April 13, 2021 an appeal was filed against the assessment document with the Tax Commission of first instance ("Tax Violations and Disputes Resolution Committee"), which only partially accepted the appellant's complaints on October 31, 2021. On December 20, 2021, the Company therefore appealed the unfavourable ruling with the Tax Commission of second degree ("Tax Violations and Disputes Appellate Committee") where the judgement is still pending.

Petrex SA Colombian subsidiary
On October 7, 2019, the Colombian tax authority, following an audit on the 2014 tax year, notified the local branch of Petrex SA of a notice of assessment which contested, pursuant to a local anti-avoidance rule, the USD 120 million loan agreement signed in that same year with Eni Finance International SA, a financial company of the Eni Group, as a sham operation. In accordance with the above-mentioned rule, the entire amount of the loan was considered taxable income by the tax authority, with a consequent assessment of higher taxes and the imposition of penalties for a total amount equivalent to €110 million, as of the reporting date. The tax authority claims that the relevant Group company has not provided sufficient evidence to demonstrate the use of the financing to support its economic activities. Moreover, the same notice of assessment does not recognise the interest accrued on the same loan and the losses on foreign exchange arising from the accounting of the financial debt in US dollars as deductible, which leads to higher taxes and penalties for additional €2 million.
On December 3, 2019, the company filed an application for the annulment of the assessment with the Colombian tax authority, supported by precise and irrefutable evidence that demonstrates the pertinence of the loan agreement with respect to its business activity. In summary, the borrowed funds were used to purchase some drilling rigs that were needed to execute commercial contracts signed with local clients. On October 14, 2020, the local tax authority rejected the application.
On February 15, 2021, the company appealed the notice of assessment with the Administrative Court, which is the court of first instance for the tax disputes, where the judgement is still pending.

Saipem SpA - Saipem SA - Snamprogetti Engineering BV - Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda - Saipon Snc
Following a tax audit carried out through questionnaires in 2016, on November 10, 2016, the Nigerian tax administration ("FIRS") notified Saipem SpA, Saipem SA, Snamprogetti Engineering BV, Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda and Saipon Snc with a notice of assessment in which the local administration claims the existence of their permanent establishments in Nigeria during the period 2009-2013 in relation to the carrying out of engineering and procurement activities for the execution of turnkey contracts for various Nigerian clients and consequently assesses the failure to pay income tax. In the notices, the tax authority, in fact, ascribes to the alleged permanent establishments all the income obtained from the performance of the aforementioned activities, non-recognising that, as regards the taxability of the income, the same activities were exclusively carried out by the overseas head offices of the recipient companies of the assessment. The tax claim, including the imposed fines, amounts to approximately €242 million equivalent, as of the reporting date.
The companies concerned challenged the notices of assessment before the Federal High Court on April 11, 2017, requesting to combine all the cases into one procedure, which was granted by the Court. On July 17, 2020, the Court decided in favour of the applicant companies and accepted all the reasons for the grievances. The Nigerian administration lodged an appeal at the Court of Appeal on October 15, 2020. The first hearing has not yet been scheduled by the Court.

Saipem SpA
As a result of criminal proceedings against Saipem SpA and a number of individuals who held senior positions within the company involving the criminal offences of "international corruption" and "fraudulent misrepresentation", the company was served with notices of assessment for the tax years 2008 and 2009 – served in 2015 – and for the tax year 2010 – served in 2016 – claiming the "non-deductibility of costs arising from criminal offences" related to the aforementioned allegations of international corruption. The Company challenged the 2008 and 2009 notices and, pending the criminal and tax proceedings, both of which were lost in the first instance, on September 8, 2017, it settled the tax disputes, exercising the option under Article 11, Legislative Decree No. 50/2017, which allows for facilitated settlement without the application of penalties and part of the interest. The assessment notice for the 2010 tax year, on the other hand, was settled by agreement on May 26, 2017. Following the adverse criminal judgement delivered by the Court of Milan (on September 19, 2018), on January 15, 2020, the Milan Court of Appeal's second-instance ruling fully exonerated the senior executives of Saipem SpA from the international corruption charge, also dismissing Saipem SpA's responsibility for the alleged administrative offence. On December 14, 2020, the Court of Cassation's ruling was filed that definitively closed the criminal proceedings for international corruption, confirming the acquittal of the Company and the individuals involved.
In light of the above-mentioned outcome of the criminal proceedings, on June 1, 2021, the Company filed for a refund of the amount paid in taxation.

Following the tacit rejection of the refund request, the Company lodged an appeal asking the Milan Tax Court of First Instance to order the Italian Revenue Agency to refund the excess tax paid in relation to the assessment notices concerning the non-deductibility of costs associated with the alleged international corruption offence, amounting to a total of €64 million. On July 5, 2022, the Milan Tax Court of First Instance partially upheld Saipem SpA's appeal. Specifically, the ruling established that this right should be limited to the tax paid in execution of the settlement agreement (year 2010), excluding the amounts paid for the settlement of the disputes related to the 2008 and 2009 tax years.
On October 6, 2022, the Company appealed against the parts of the ruling that had excluded the right to a refund of the amount paid as a result of the settlement of the pending litigation in relation to the 2008 and 2009 tax years. At the same time, the Internal Revenue Agency filed an appearance to defend the parts of the ruling favourable to it, also challenging the ruling regarding the entitlement to the refund for the 2010 year settlement in agreement. On June 12, 2023, the ruling of the Lombardy Tax Court of Second Instance upheld the Company's appeal and rejected the Italian Revenue Agency's appeal. As a result of the ruling, the Company became entitled to a refund of all the sums paid in 2017, plus legal interest. As of the reporting date, the Agency had already repaid the sums determined in full.
On November 15, 2023, the Italian Revenue Agency filed an appeal with the Court of Cassation. On January 22, 2024, the Company filed a counter-appeal. At present, the Parties are waiting for the hearing to be scheduled by the Court of Cassation.

32 Revenue

The following is a summary of the main components of revenue. For more information about changes in revenue and reporting by business segment, see the "Financial and economic results" section of the "Interim Directors' Report".

Core business revenue

	First half	
(€ million)	2024	2023
Revenue from sales and Asset Based Services	3,449	2,622
Revenue from sales and Energy Carriers	2,523	2,366
Revenue from sales and Offshore Drilling services	446	359
Total	**6,418**	**5,347**

The core business revenue by geographic area is shown below:

	First half	
(€ million)	2024	2023
Italy	488	307
Rest of Europe	570	488
CSI	69	160
Middle East	2,261	1,834
Far East	479	297
North Africa	195	72
Sub-Saharan Africa	1,620	1,376
Americas	736	813
Total	**6,418**	**5,347**

As described in the section "Contract assets and contract liabilities", to which we refer, in consideration of the nature of the contracts and the type of works performed by the Saipem Group, the individual obligations contractually identified are mainly satisfied over time. The revenue that measures the progress of the work is determined, in line with the provisions of IFRS 15, by using an input method based on the percentage of costs incurred with respect to the total contractually estimated costs ("cost-to-cost" method).
Contract revenue includes the amount agreed in the initial contract, plus revenue from change orders and claims.
The change orders consist of additional fees deriving from changes to the contractually agreed works requested by the client; price revisions (claims) consist of requests for additional fees deriving from higher charges incurred for reasons attributable to the client. Change orders and claims are included in the amount of revenue when the changes to the agreed works and/or price have been approved, even if their definition has not yet been agreed on. Any pending revenue reported for a period longer than one year, with no progress in the negotiations with the client, is fully written off. Amounts higher than €30 million are reported only if supported by outside technical-legal expert opinions.
The cumulative amount – related to the progress of projects also in previous years – of the additional fees (pending revenue), of the Engineering & Construction segment as of June 30, 2024, was €395 million (€265 million as of December 31, 2023, and €327 million as of June 30, 2023). There are no additional amounts relating to ongoing legal disputes.
The contractual obligations to be fulfilled by the Saipem Group (backlog), which as of June 30, 2024 amounted to €30.470 million, are expected to generate revenue of €6.636 million in the second half of 2024 while the remainder will be generated in subsequent years.

The share of revenue for leasing included in the item "Core business revenue" does not have a significant impact on the overall amount of core business revenue, as it amounts to less than 2% of the total and it refers to the Offshore Drilling and Leased FPSO sectors.
Revenue from related parties is shown in Note 41 "Related party transactions".

Other revenue and income

	First half	
(€ million)	2024	2023
Gains on disposal of assets	1	1
Other income	-	1
Total	**1**	**2**

33 Operating expenses

The following is a summary of the main components of operating expenses. The most significant variations are analysed in the "Financial and economic results" section of the "Interim Directors' Report".

Purchases, services and other costs

Purchases, services and other costs include the following:

	First half	
(€ million)	2024	2023
Raw, ancillary and consumable materials and goods	1,703	1,470
Services	2,822	2,435
Use of third-party assets	457	423
Net accruals to (utilisation of) the provisions for risks and charges	(74)	(214)
Other expenses	4	14
less:		
- internal work capitalised	(9)	(7)
- changes in inventories of raw, ancillary and consumable materials and goods	(21)	(24)
Total	**4,882**	**4,097**

During the first half of 2024, no brokerage fees were incurred.
Research and development costs that do not meet the requirements for capitalisation amounted to €14 million (€14 million in the first half of 2023).
"Use of third-party assets" equal to €457 million, consist of €453 million for lease contracts, of which €412 million mainly related to "Short-term Leases" with a term of less than or equal to 12 months, €40 million related to "Variable payments" and €1 million related to "Low Value lease".
Net accruals to/utilisations of the provisions for risks and charges for a total of €74 million refer to the provisions for risks related to disputes, provisions for contractual expenses and losses on long-term contracts and other provisions discussed in Note 24 "Provisions for risks and charges".
Purchases, services, and other costs from related parties are detailed in Note 41 "Related party transactions".

Net reversals of impairment losses (impairment losses) on trade receivables and other assets

Net reversals of impairment losses (impairment losses) on trade receivables and other assets include the effects relative to IFRS 9 applied to contract assets and are broken down as follows:

	First half	
(€ million)	2024	2023
Trade receivables	(2)	(13)
Contract assets	-	(1)
Total	**(2)**	**(14)**

Personnel expenses

Personnel expenses are as follows:

(€ million)	First half 2024	2023
Labour cost	977	830
less:		
- internal work capitalised	(5)	(4)
Total	**972**	**826**

Incentive plans

In order to create a system of incentives and loyalty among Group's Senior Managers, Saipem SpA has defined, among other things, variable incentive plans through the free assignment of Saipem SpA ordinary shares to be attributed in three-year cycles (vesting period).

As of June 30, 2024, the active plans includes the Long-Term Variable Incentive Plan 2023-2025 (2023 and 2024 Attributions[2]). Plans that are no longer active as of June 30, 2024 but that have in any case had an impact on the financial statements include the Long-Term Variable Incentive Plan 2019-2021, in which regard the non-activation of the 2021 Attribution has been recognised due to the failure to reach the minimum performance level of the established indicators, and the Short-Term Variable Incentive Plan 2021-2023 (2021 Attribution), the vesting period for which ended on April 27, 2024.

The plans provide for the free attribution of Saipem ordinary shares to the executives of Saipem SpA and its subsidiaries, holders of organisational positions with significant impact on the achievement of business results, also in relation to performance and professional skills. For additional information about the characteristics of the plans, please see the disclosure made available to the public on the Company's website (www.saipem.com), under the current law (Article 114-*bis* of Legislative Decree No. 58/1998 and Consob implementing regulations).

The cost is determined with reference to the fair value of the option assigned to the senior manager, while the portion for the year is determined pro-rata temporis throughout the period to which the incentive refers (so-called vesting period and co-investment period/retention premium).

The fair value for the half year stood at approximately €3 million, as detailed below:

(€ thousand)	Fair value of personnel expenses
2019-2021 LTI Plan: 2021 Allocation [(a)]	(681)
2021-2023 STI Plan: 2021 Allocation	131
2023-2025 LTI Plan: 2023 Allocation	3,746
Total	**3,196**

(a) The fair value for the 2021 allocation is positive because it reflects the fact that it was not activated, due to the failure to reach the minimum performance threshold for the indicators established.

As of June 30, 2024, the classification and number of beneficiaries, the respective number of shares attributed and the subsequent calculation of fair value were as follows for the plans active in the half year.

LTI Attribution for 2023

(€)	No. of managers	No. of shares [(1)]	Share portion (%)	Unit fair value TSR (weight 40%)	Unit fair value ESG (weight 20%)	Unit fair value ROAIC (weight 15%)	Unit fair value ROAIC (weight 20%)	Unit fair value EBITDA (weight 20%)	Total fair value (€)	Fair value as of June 30, 2024 (€)	Fair value as of June 30, 2023 (€)
Senior managers (vesting period)			75	1.38	1.177	1.177	1.177	1.177			
Senior managers (Retention Premium period)	395	13,004,900	25	2.910	1.177	1.177	1.177	1.177	22,801,745	3,540,981	-
Chief Executive Officer (vesting period)			75	1.38	1.177	1.177	1.177	1.177			
Chief Executive Officer (co-investment period)	1	744,300	25	2.910	1.177	1.177	1.177	1.177	1,324,359	205,671	-
Total	**396**	**13,749,200**							**24,126,104**	**3,746,652**	**-**

(1) The number of shares shown in the table corresponds to the number attributed at the right attribution date. The number of shares used for total fair value and fair value calculation as of June 30, 2024, on the other hand, corresponds to 17,799,915 shares, and reflects the forfeited rights due to unilateral/consensual termination of the employment relationship, as well as the percentage of achievement of the estimated non-market conditions at the end of the vesting period.

(2) The 2024 Attribution, approved by the Board of Directors of Saipem on June 26, 2024, had no accounting effects on the interim consolidated financial statements as of June 30, 2024, as the data required to calculate the fair value are currently being defined. Furthermore, considering that only a few days passed after the attribution was activated, it was deemed reasonable to infer that the impact of the fair value as of June 30, 2024 would not have been material.

STI Attribution for 2021

	No. of managers	No. of shares [1]	Share portion (%)	Unit fair value	Total fair value	Fair value 2024	Fair value 2023 [2]
Senior Managers	132	19,338	100	102	1,216,126	130,815	181,804
Total	**132**	**19,338**			**1,216,126**	**130,815**	**181,804**

(1) The number of shares shown in the table corresponds to the number attributed at the right attribution date. The number of shares used for the total fair value and fair value calculation as of June 30, 2024, on the other hand, is 11,907 shares, and reflects the forfeited rights due to unilateral/consensual resignations as of the observation date.
(2) The fair value for the period is measured as of the observation date.

The evolution of the share plan is as follows:

	2024			2023		
	No. of shares	Average strike price [a] (€ thousand)	Market price (€ thousand)	No. of shares [a]	Average strike price [a] (€ thousand)	Market price (€ thousand)
Options outstanding as of January 1	**13,804,761**	**-**	**20,293**	**313,362**	**-**	**353**
New options granted	-	-	-	13,749,200	-	16,183
(Options exercised during the period) [b] [c]	(12,185)	-	(23)	(17,308)	-	(24)
(Options expired during the period) [b]	(297,476)	-	(572)	(240,493)	-	(336)
Options outstanding at the end of the year	**13,495,100**	**-**	**32,280**	**13,804,761**	**-**	**20,293**
Of which:						
- exercisable as of June 30, 2024						
- exercisable at the end of the vesting period	10,121,325	-	-	10,374,418	-	-
- exercisable at the end of the co-investment period/Retention Premium	3,373,775	-	-	3,430,343	-	-

(a) Since these are free shares, the strike price is zero.
(b) The market value of the shares underlying options granted or expired in the period corresponds to the average market value of the shares. The market value of shares underlying options outstanding at the beginning and end of the period is equal to the last available data as of the beginning and end of the period.
(c) The rights exercised in the first half of 2024 are the shares attributed to the beneficiaries of the 2021 attribution of the 2021-2023 Short-Term Variable Incentive Plan, as per the plan rules.

The long-term incentive plans for Saipem SpA employees are shown in the item "Personnel expenses" and as a counter-item to "Other reserves" of equity.
The fair value of allocated options for employees of subsidiaries is shown at the date of option grant in the item "Personnel expenses" and as a counter-item to "Other reserves" of equity. In the same year, the corresponding amount is charged to affiliated companies, as a counter-item to the item "Personnel expenses".
In the case of Saipem SpA personnel who provide service to other group companies, the cost is charged pro-rata temporis to the company where the beneficiaries are in service.

Average number of employees

The average number of employees, by category, for all consolidated companies was as follows:

	First half	
(number)	**2024**	**2023**
Senior Managers	396	385
Middle Managers	4,782	4,564
White collars	14,741	14,573
Blue collars	9,083	9,694
Seamen	245	237
Total	**29,247**	**29,453**

The average number of employees was calculated as the arithmetic mean of the number of employees at the beginning and end of the period. The average number of senior managers included managers employed and operating in foreign countries whose position was comparable to senior manager status.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses are detailed below:

(€ million)	First half 2024	2023
Depreciation and amortisation:		
- property, plant and equipment	170	146
- intangible assets	5	5
- Right-of-Use assets	112	56
Total depreciation and amortisation	**287**	**207**
Impairment losses:		
- property, plant and equipment	21	11
- intangible assets	-	-
- Right-of-Use assets	2	-
Total impairment losses	**23**	**11**
Total	**310**	**218**

The impairment of assets amounted to €21 million (€11 million in the first half of 2023).

Other operating income (expense)

Operating income of €2 million was recorded in the first half of 2024 (operating expense of €2 million in the first half of 2023).

34 Financial income (expense)

Financial income (expense) consisted of the following:

(€ million)	First half 2024	2023
Financial income (expense)		
Financial income	199	73
Financial expense	(233)	(114)
Total	**(34)**	**(41)**
Derivative financial instruments	(39)	(46)
Total	**(73)**	**(87)**

Net financial income (expense) was as follows:

(€ million)	First half 2024	2023
Net exchange gains (losses)	**23**	**10**
Exchange gains	145	48
Exchange losses	(122)	(38)
Financial income (expense) related to net financial debt	**(59)**	**(54)**
Interest income from banks and other financial institutions	21	10
Interest income on leases	9	4
Interest and other expense due to banks and other financial institutions	(61)	(51)
Interest expense on leases	(28)	(17)
Other financial income (expense)	**2**	**3**
Other financial income from third parties	24	11
Other financial expense to third parties	(20)	(5)
Financial income (expense) on defined benefit plans	(2)	(3)
Net financial income (expense)	**(34)**	**(41)**

Net income (expense) on derivatives consisted of the following:

(€ million)	First half 2024	2023
Exchange rate derivatives	(39)	(46)
Total	**(39)**	**(46)**

The net balance of income (expense) on derivative contracts is negative for €39 million (€46 million of expense in the first half of 2023) and includes the recognition in the income statement of the effects related to the fair value measurement of derivative contracts that do not qualify for hedge accounting under IFRS and the measurement of the forward component of derivative contracts qualifying for hedge accounting.
Financial income (expense) with related parties is shown in Note 41 "Related party transactions".

35 Gains (losses) on equity investments

Effect of accounting using the equity method

The share of profit (loss) of equity-accounted investees consisted of the following:

(€ million)	First half 2024	2023
Share of profit of equity-accounted investees	23	26
Share of loss of equity-accounted investees	(5)	(11)
Net utilisations of (accruals to) the provisions for losses related to equity-accounted investees	(15)	5
Total	**3**	**20**

The share of profits (losses) of equity-accounted investees is commented in Note 16 "Equity investments".

Other gains (losses) from equity investments

Net gains of €7 million were recorded in the first half of 2024 (€7 million of losses in the first half of 2023).

36 Income taxes

(€ million)	First half 2024	2023
Current taxes:		
- Italian subsidiaries	(20)	-
- foreign subsidiaries	93	68
Deferred tax assets and net liabilities:		
- Italian subsidiaries	4	(16)
- foreign subsidiaries	(3)	26
Total	**74**	**78**

In line with OECD Pillar Two, Saipem SpA, as Ultimate Parent Entity, has assessed the potential exposure to income taxes under the new Pillar Two regime. The analysis conducted by the Parent Company shows that the effective tax rates determined in accordance with Pillar Two rules exceed 15% (the minimum under the regime) in the majority of the jurisdictions in which the Group operates, and that there is a small number of jurisdictions in which the effective rate is below 15%.
Current taxes as of June 30, 2024 include the estimate of Pillar Two income taxes, equal to €1 million.

(€ million)	First half 2024	2023
Income taxes recognised in the income statement	74	78
Income tax related to items of other comprehensive income that will be reclassified to profit or loss	18	(14)
Of which:		
- tax effect due to the change in the fair value of cash flow hedges	18	(14)
- tax effect due to the change in the fair value of financial assets, other than equity investments, measured at fair value through OCI	-	-
Income tax related to items of other comprehensive income that will not be reclassified to profit or loss	(1)	1
Of which:		
- tax effect due to the remeasurement of defined benefit plans for employees	(1)	1
Tax on comprehensive income (loss)	**91**	**65**

37 Non-controlling interests

There was no profit (loss) attributable to non-controlling interests in the first half of 2024, as for 2023.

38 Profit (loss) per share

Basic profit (loss) per ordinary share is calculated by dividing profit or loss for the period attributable to the Group's shareholders by the weighted average of Saipem SpA ordinary shares outstanding during the period, excluding treasury shares.
Reconciliation of the weighted average number of outstanding shares used for the calculation of basic and diluted profit and loss per share is as follows:

		June 30, 2024 [a]	June 30, 2023
Weighted average number of outstanding shares used for the calculation of the basic profit (loss) per share		**1,975,147,208**	**1,995,142,205**
Number of potential shares against convertible bonds		244,057,207	-
Number of potential shares following incentive plans		13,495,100	164,248
Number of savings shares convertible into ordinary shares		1,059	1,059
Weighted average number of outstanding shares used for the calculation of the diluted profit (loss) per share [b]		**2,232,700,574**	**1,995,143,264**
Profit (loss) attributable to Saipem - Continuing operations	(€ million)	**118**	**40**
Basic profit (loss) per share	(€ per share)	0.060	0.020
Diluted profit (loss) per share	(€ per share)	0.059	0.020
Profit (loss) attributable to Saipem - Discontinued operations	(€ million)	**-**	**-**
Basic profit (loss) per share	(€ per share)	-	-
Diluted profit (loss) per share	(€ per share)	-	-
Profit (loss) attributable to Saipem	(€ million)	**118**	**40**
Basic profit (loss) per share	(€ per share)	0.060	0.020
Diluted profit (loss) per share	(€ per share)	0.059	0.020

(a) Potential shares against convertible bonds were included in the calculation as they have a dilutive effect.
(b) With reference to the first half of 2023, it should be noted that the number of potential shares following incentive plans was not considered when computing the weighted average number of outstanding shares used for the calculation of the diluted profit (loss) per share.

39 Reporting by business segment

The information to the market, in accordance with the provisions of IFRS 8, is prepared following the reporting segments below:
- Asset Based Services, which includes the Offshore Engineering & Construction and Offshore Wind activities;
- Offshore Drilling; and
- Energy Carriers, which includes the Onshore Engineering & Construction, Sustainable Infrastructures, and Robotics & Industrialized Solutions activities.

The sectors clustered in the reporting segments above have similar economic characteristics; moreover, the Offshore Wind, Sustainable Infrastructures and Robotics & Industrialized Solutions sectors are not, at present, so significant that they deserve separate reporting, in accordance with IFRS 8. Given its relevance and economic characteristics, the Offshore Drilling sector is reported separately.

Reporting by business segment*

(€ million)	Asset Based Services	Energy Carriers	Offshore Drilling	Unallocated	Total
First half 2024					
Core business revenue	4,770	2,751	693	-	8,214
less: intra-group revenue	1,321	228	247	-	1,796
Net revenue	**3,449**	**2,523**	**446**	**-**	**6,418**
Operating result	189	(24)	90	-	255
Depreciation, amortisation, and impairment losses	202	32	76	-	310
Gains (losses) on equity investments	11	1	(2)	-	10
Capital expenditure in property, plant and equipment and intangible assets	149	8	37	-	194
Property, plant and equipment and intangible assets	2,353	397	877	-	3,627
Right-of-use of leased assets	330	131	14	-	475
Equity investments [a]	105	(47)	82	-	140
Current assets	2,201	2,868	676	3,141	8,886
Current liabilities	3,853	3,229	340	660	8,082
Net assets held for sale	-	-	-	-	-
Provisions for risks and charges [a]	270	294	53	30	647
First half 2023					
Core business revenue	4,124	2,717	546	-	7,387
less: intra-group revenue	1,502	351	187	-	2,040
Net revenue	**2,622**	**2,366**	**359**	**-**	**5,347**
Operating result	125	(18)	85	-	192
Depreciation, amortisation, and impairment losses	135	27	56	-	218
Gains (losses) on equity investments	(5)	33	(15)	-	13
Capital expenditure in property, plant and equipment and intangible assets	118	5	16	-	139
Property, plant and equipment and intangible assets	2,309	418	792	-	3,519
Right-of-use of leased assets	150	100	14	-	264
Equity investments [a]	89	(62)	86	-	113
Current assets	2,149	2,378	414	3,359	8,300
Current liabilities	2,658	3,228	278	1,035	7,199
Net assets held for sale	2	68	2	-	72
Provisions for risks and charges [a]	432	349	28	17	826

(*) The results of the Onshore Drilling segment, divested as of June 30, 2024, have been recognised as Discontinued operations in accordance with the criteria set out in IFRS 5.
(a) See the section "Reconciliation of reclassified statement of financial position with the mandatory templates" on page 91.

For more details on the information by sectors please see the specific sections of the "Interim Directors' Report".

40 Reporting by geographical segment

Since Saipem's business involves the deployment of a fleet on a number of different projects over a single year, it is difficult to allocate assets to a specific geographic segment and some activities are deemed not to be directly allocable.
The unallocated part of property, plant and equipment and intangible assets and capital expenditure relates to vessels and their related equipment and goodwill.
The unallocated part of current assets pertained to inventories related to vessels.

A breakdown of revenue by geographical segment is provided in Note 32 "Revenue".

(€ million)	Italy	Rest of Europe	CIS	Rest of Asia	North Africa	Sub-Saharan Africa	Americas	Unallocated	Total
First half 2024									
Capital expenditure in property, plant and equipment and intangible assets	3	28	-	2	-	-	1	160	194
Property, plant and equipment and intangible assets	72	36	-	237	-	39	82	3,161	3,627
Right-of-use of leased assets	196	77	-	69	9	4	12	108	475
Identifiable assets (current)	1,856	676	26	2,969	202	1,442	939	776	8,886
Assets held for sale	-	-	-	-	-	-	-	-	-
December 31, 2023									
Capital expenditure in property, plant and equipment and intangible assets	22	104	-	7	-	5	2	342	482
Property, plant and equipment and intangible assets	63	36	-	249	1	41	61	3,175	3,626
Right-of-use of leased assets	110	98	-	60	17	4	13	126	428
Identifiable assets (current)	1,602	641	39	2,711	138	1,205	1,016	752	8,104
Assets held for sale	-	-	3	-	-	-	23	-	26

Current assets were allocated by geographical segment using the following criteria: (i) cash and cash equivalents and loan assets were allocated on the basis of the country in which individual company bank accounts were held; (ii) inventories were allocated on the basis of the country in which onshore storage facilities were situated (i.e. excluding inventories in storage facilities situated on vessels); (iii) trade receivables and other assets were allocated to the geographical segment to which the related project belonged.
Non-current assets were allocated on the basis of the country in which the asset operates, except for offshore drilling and construction vessels, which were included under "Unallocated".

41 Related party transactions

From January 22, 2016, following the entry into force of the transfer of 12.5% of share capital of Saipem SpA ("Saipem") from Eni SpA to CDP Equity SpA (formerly Fondo Strategico Italiano SpA), Eni SpA no longer has sole control over Saipem, which has been replaced by the joint control exercised by Eni SpA and CDP Equity SpA (taken over on December 13, 2019 by CDP Industria SpA), on the basis of the shareholders' agreement, signed on January 20, 2022 and last updated on July 20, 2022, with a resulting variation in the scope of related parties.
As of December 31, 2022 the merger became effective through the absorption of CDP Industria SpA into CDP Equity SpA, both of which are wholly and directly owned subsidiaries of Cassa Depositi e Prestiti SpA ("CDP SpA"). Therefore, also effective as of December 31, 2022, CDP Equity SpA took over the Agreement in lieu of CDP Industria SpA and all the rights and obligations previously held by the latter under the agreement by signing a letter of assumption. The Agreement will immediately cease to be effective in the event that the parties are no longer subject, directly or indirectly, to the common control of the Ministry of Economy and Finance. The Agreement will last three years, with automatic renewal upon expiry for a further period of three years, unless terminated with at least six months notice.
Eni SpA and CDP Industria SpA do not exercise sole control over Saipem pursuant to Article 93 of TUF.
Eni SpA is subject to the de facto control of the Ministry of Economy and Finance ("MEF"), on account of the participation held by the latter both directly and through CDP SpA. CDP Equity SpA is a fully-owned subsidiary of CDP SpA, whose majority shareholder is the MEF.
Transactions carried out by Saipem and the companies included in the scope of consolidation with related parties mainly consist of the supply of services and the exchange of goods with joint ventures, associates and subsidiaries that are not fully consolidated, with subsidiaries, joint ventures and associates of Eni SpA and CDP SpA, with companies controlled by the Ministry of Economy and Finance (MEF). The transactions carried out are part of ordinary operations and are settled at market conditions, i.e., at the conditions that would have applied between two unrelated parties, and are undertaken in the interest of Saipem Group companies.
In addition, relations with members of the Board of Directors, Statutory Auditors, key management personnel, their close family members and the entities controlled, even jointly, by them, of Saipem, Eni SpA, CDP SpA and CDP Equity SpA have been considered.
Directors, statutory auditors, general managers, and key management personnel must declare, every 6 months, any transactions they enter into with Saipem or its subsidiaries, directly or through a third party. Directors, Statutory Auditors and managers with strategic responsibilities release every six months and/or in the event of a change, a statement in which each potential interest is represented in relation to the parent and the Group and in any case report to the Chief Executive Officer (or the Chairman where the Chief Executive Officer is involved), who informs the other directors and the Board of Statutory Auditors of the individual transactions that the parent intends to perform, in which they have direct interests.
Saipem is not under the management or coordination of any other company. Saipem manages and coordinates its subsidiaries pursuant to Article 2497 of the Italian Civil Code.
In accordance with the disclosure requirements of Consob Regulation No. 17221 of March 12, 2010, during the first half of 2024 a single transaction was carried out and communicated to Consob, which exceeded the relevance threshold set for major significance transactions in accordance with the aforementioned Regulation and as governed by the Saipem Management System Guideline "Transactions with Related Parties and Parties of Interest" (the "Procedure"), published on Saipem's website in the "Governance" section.

Azule Energy Angola SpA - Ndungu Field

On May 16, 2024, a contract for the development of the Ndungu Field project (the "Contract") was signed between Saipem SA, Saipem Luxembourg SA Sucursal de Angola and Petromar Lda (on one hand) and Azule Energy Angola SpA (on the other hand). The Contract is for the engineering, manufacture, transport and installation of around 60 km of rigid pipes and deepwater subsea structures off the coast of Angola. The Contract has a duration of 36 months and a value of around $850 million (equivalent to around €782 million).
The Contract qualifies as a related party transaction because it is entered into with a subsidiary of a joint venture of the Eni Group.
Even though it qualifies as a "major significance transaction", because it exceeds the applicable significance threshold, the Contract is considered to be an ordinary transaction carried out at equivalent market or standard conditions.
For more details, see the information in the press release regarding the transaction.
The tables below show the value of transactions of a trade, financial or other nature entered into with related parties. The company analysis is made on the basis of the principle of materiality related to the overall size of the individual relationships; relationships not shown analytically, because they are not material, are indicated according to the following aggregation:
- subsidiaries not consolidated with the full consolidation method;
- joint ventures and associates;
- companies controlled by Eni and CDP Equity SpA;
- Eni and CDP Equity SpA associates and jointly controlled companies;
- State-controlled companies and other related parties.

Trade and other transactions

Trade and other transactions as of June 30, 2024, consisted of the following:

(€ million)

	June 30, 2024			First half 2024			
				Costs		Revenue	
Name	Trade receivables and other assets	Trade payables, other liabilities and contract liabilities	Guarantees	Goods	Services [1]	Goods and services	Other
Continuing operations							
Subsidiaries not consolidated with the full consolidation method							
Smacemex Scarl	5	4	-	-	-	-	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-	-
Total subsidiaries not consolidated with the full consolidation method	**5**	**4**	**-**	**-**	**-**	**-**	**-**
Joint ventures and associates							
ASG Scarl [2]	1	1	-	-	-	-	-
CCS JV Scarl [2]	109	447	-	-	148	208	-
CEPAV (Consorzio Eni per l'Alta Velocità) Due [2]	122	244	283	-	166	181	-
CEPAV (Consorzio Eni per l'Alta Velocità) Uno [2]	-	-	34	-	-	-	-
Consorzio Florentia [2]	26	63	-	-	33	18	-
KCA Deutag International Ltd	12	7	-	-	-	2	-
KWANDA Suporte Logistico Lda	1	5	-	-	3	3	-
La Bozzoliana Scarl [2]	1	3	-	-	2	-	-
Petromar Lda	22	1	5	-	-	9	-
PSS Netherlands BV	3	6	-	-	-	(1)	-
Saipem Nasser Saeed Al-Hajri Contracting Co	2	-	-	-	-	1	-
Saipem Taqa Al Rushaid Fabricators Co Ltd	8	1	22	-	1	-	-
Saipon Snc	1	-	-	-	-	-	-
SAME Netherlands BV	1	-	-	-	-	60	-
SCD JV Scarl [2]	21	45	-	-	28	58	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-	-
Total joint ventures and associates	**330**	**823**	**344**	**-**	**381**	**539**	**-**
Eni Group							
Azule Energy Angola BV	29	-	-	-	-	91	-
Azule Energy Angola SpA	47	4	13	-	-	182	-
Eni Congo SAU	52	40	1	-	-	191	-
Eni Côte d'Ivoire Ltd	78	34	-	-	-	361	-
Eni Mediterranea Idrocaburi SpA	45	-	29	-	-	87	-
Eni SpA [3]	31	3	9	-	1	33	-
Mellitah Oil & Gas BV	70	124	104	-	-	52	-
Petrobel Belayim Petroleum Co	176	31	64	-	-	89	-
Other Eni Group companies (for transactions not exceeding €21 million)	16	2	10	1	1	43	-
Total Eni Group	**544**	**238**	**230**	**1**	**2**	**1,129**	**-**
CDP Group							
Snam Rete Gas	59	63	31	-	-	83	-
Other CDP Group companies (for transactions not exceeding €21 million)	8	9	6	-	3	7	-
Total CDP Group	**67**	**72**	**37**	**-**	**3**	**90**	**-**

(1) The item "Services" includes costs for services, costs for the use of third-party assets and other expenses.
(2) Revenue from limited liability consortium companies refer to the retrocession of fees that these companies' invoice to the client and that based on the consortium nature of the investee company are attributed to the consortium partner.
(3) The item "Eni SpA" includes also the transactions with Eni SpA Divisione Exploration & Production, Eni SpA Divisione Gas & Power, Eni SpA Divisione Refining & Marketing.

Trade and other transactions consisted of the following:

(€ million)

Name	June 30, 2024			First half 2024			
				Costs		Revenue	
	Trade receivables and other assets	Trade payables, other liabilities and contract liabilities	Guarantees	Goods	Services [1]	Goods and services	Other
Companies controlled or owned by the State	**1**	**-**	**-**	**-**	**-**	**-**	**-**
Total related party transactions - Continuing operations	**947**	**1,137**	**611**	**1**	**386**	**1,758**	**-**
Incidence (%)	**32.55**	**16.27**	**8.00**	**0.06**	**11.76**	**27.39**	**-**
Overall total - Continuing operations	**2,909**	**6,987**	**7,634**	**1,703**	**3,283**	**6,418**	**1**
Discontinued operations							
Joint ventures and associates							
KCA Deutag International Ltd	-	-	-	-	1	1	-
Total joint ventures and associates	**-**	**-**	**-**	**-**	**1**	**1**	**-**
Total related party transactions - Discontinued operations	**-**	**-**	**-**	**-**	**1**	**1**	**-**
Overall total - Discontinued operations	**-**	**-**	**37**	**2**	**5**	**12**	**-**
Total related party transactions	**947**	**1,137**	**611**	**1**	**387**	**1,759**	**-**
Incidence (%)	**32.55**	**16.27**	**7.97**	**0.06**	**11.77**	**27.36**	**-**
Overall total	**2,909**	**6,987**	**7,671**	**1,705**	**3,288**	**6,430**	**-**

(1) The item "Services" includes costs for services, costs for the use of third-party assets and other expenses.

Trade and other transactions consisted of the following:

(€ million)

Name	Dec. 31, 2023			First half 2023			
				Costs		Revenue	
	Trade receivables and other assets	Trade payables, other liabilities and contract liabilities	Guarantees	Goods	Services [1]	Goods and services	Other
Continuing operations							
Subsidiaries not consolidated with the full consolidation method							
Smacemex Scarl	5	4	-	-	-	-	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-	-
Total subsidiaries not consolidated with the full consolidation method	**5**	**4**	**-**	**-**	**-**	**-**	**-**
Joint ventures and associates							
ASG Scarl [2]	1	1	-	-	-	-	-
CCS JV Scarl [2]	78	439	-	-	47	71	-
CEPAV (Consorzio Eni per l'Alta Velocità) Due [2]	110	213	332	-	160	116	-
CEPAV (Consorzio Eni per l'Alta Velocità) Uno [2]	-	-	34	-	-	-	-
Consorzio Florentia [2]	7	30	-	-	1	-	-
Gygaz Snc	5	-	-	-	-	2	-
KCA Deutag International Ltd	9	8	-	-	-	10	-
KWANDA Suporte Logistico Lda	1	4	-	-	1	(6)	-
Petromar Lda	12	2	1	-	(1)	6	-
PSS Netherlands BV	2	3	-	-	-	(3)	-
Saipem Taqa Al Rushaid Fabricators Co Ltd	7	1	26	-	1	-	-
Saipon Snc	1	-	-	-	-	-	-
SAME Netherlands BV	74	-	-	-	-	61	-
Saren BV	-	-	-	-	-	6	-
SCD JV Scarl [2]	13	88	-	-	45	61	-
TSGI Mühendislik Insaat Ltd Sirketi	-	-	-	-	-	2	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-	-
Total joint ventures and associates	**320**	**789**	**393**	**-**	**254**	**326**	**-**

(1) The item "Services" includes costs for services, costs for the use of third-party assets and other expenses.
(2) Revenue from limited liability consortium companies refer to the retrocession of fees that these companies' invoice to the client and that based on the consortium nature of the investee company are attributed to the consortium partner.

Trade and other transactions consisted of the following:

(€ million)

	Dec. 31, 2023			First half 2023			
				Costs		Revenue	
Name	Trade receivables and other assets	Trade payables, other liabilities and contract liabilities	Guarantees	Goods	Services [1]	Goods and services	Other
Eni Group							
Azule Energy Angola BV	39	5	12	-	-	67	-
Azule Energy Angola SpA	55	1	-	-	(2)	181	-
Doggerbank Offshore Wind Farm	-	-	-	-	-	24	-
Eni Congo SA	41	33	1	-	-	31	-
Eni Côte d'Ivoire Ltd	199	34	-	-	-	564	-
Eni Mediterranea Idrocaburi SpA	29	-	29	-	-	57	-
Eni México, S. de R.L. de Cv	6	1	-	-	-	24	-
Eni SpA [2]	16	1	10	-	1	22	-
Eni US Operating Co Inc	-	1	-	-	-	60	-
Mellitah Oil & Gas BV	60	107	105	-	-	-	-
Petrobel Belayim Petroleum Co	164	36	61	-	-	73	-
Other Eni Group companies (for transactions not exceeding €21 million)	9	4	9	-	1	5	-
Total Eni Group	**618**	**223**	**227**	**-**	**-**	**1,108**	**-**
CDP Group							
Snam Rete Gas	33	42	29	-	-	13	-
Trans Adriatic Pipeline AG	-	-	26	-	-	-	-
Other CDP Group companies (for transactions not exceeding €21 million)	7	7	3	-	-	4	-
Total CDP Group	**40**	**49**	**58**	**-**	**-**	**17**	**-**
Companies controlled or owned by the State	**2**	**5**	**-**	**-**	**9**	**-**	**-**
Total related party transactions - Continuing operations	**985**	**1,070**	**678**	**-**	**263**	**1,451**	**-**
Incidence (%)	**40.35**	**17.74**	**8.62**	**-**	**9.16**	**27.14**	**-**
Overall total - Continuing operations	**2,441**	**6,032**	**7,862**	**1,470**	**2,872**	**5,347**	**2**
Discontinued operations							
Joint ventures and associates							
KCA Deutag International Ltd	-	-	-	-	3	1	-
Total joint ventures and associates	**-**	**-**	**-**	**-**	**3**	**1**	**-**
Total related party transactions - Discontinued operations	**-**	**-**	**-**	**-**	**3**	**1**	**-**
Overall total - Discontinued operations	**-**	**26**	**36**	**2**	**26**	**56**	**-**
Total related party transactions	**985**	**1,070**	**678**	**-**	**266**	**1,452**	**-**
Incidence (%)	**40.35**	**17.66**	**8.58**	**-**	**9.18**	**26.87**	**-**
Overall total	**2,441**	**6,058**	**7,898**	**1,472**	**2,898**	**5,403**	**2**

(1) The item "Services" includes costs for services, costs for the use of third-party assets and other expenses.
(2) The item "Eni SpA" includes also the transactions with Eni SpA Divisione Exploration & Production, Eni SpA Divisione Gas & Power, Eni SpA Divisione Refining & Marketing.

The values shown in the table refer to Notes 8 "Trade receivables and other assets", 19 "Trade payables and other liabilities", 20 "Contractual liabilities", 31 "Guarantees, commitments and risks", 32 "Revenue (core business revenue and other income)" and 33 "Operating expenses (purchases, services and other costs)".
The Saipem Group provides services to Eni Group companies in all sectors in which it operates, both in Italy and abroad.
Other transactions consisted of the following:

(€ million)	June 30, 2024 Other assets	June 30, 2024 Other liabilities	Dec. 31, 2023 Other assets	Dec. 31, 2023 Other liabilities
CCS JV Scarl	22	-	22	-
CEPAV (Consorzio Eni per l'Alta Velocità) Uno	1	-	1	-
Other Eni Group companies (for transactions not exceeding €21 million)	-	-	-	-
Total related party transactions - Continuing operations	**23**	**-**	**23**	**-**
Total related party transactions - Discontinued operations	**-**	**-**	**-**	**-**
Overall total - Continuing operations	**263**	**136**	**296**	**36**
Overall total - Discontinued operations	**-**	**-**	**-**	**-**
Incidence - Continuing operations (%)	**8.75**	**-**	**7.77**	**-**

Financial transactions

Financial transactions as of June 30, 2024, excluding net lease liabilities, consisted of the following:

(€ million)

	June 30, 2024			First half 2024		
Name	Receivables [(1)]	Payables	Commitments	Expenses	Income	Derivative financial instruments
CCS JV Scarl	291	-	-	1	10	-
La Bozzoliana Scarl	2	-	-	-	-	-
Société pour la Réalisation du Port de Tanger Méditerranée	1	-	-	-	-	-
Saipon Snc	-	1	-	-	-	-
SCD JV Scarl	73	-	-	2	-	-
Other Eni Group companies (for transactions not exceeding €21 million)	1	-	-	-	14	-
Total related party transactions	**368**	**1**	**-**	**3**	**24**	**-**

(1) Shown in the statement of financial position under "Other current financial assets".

Financial transactions for 2023, excluding net lease liabilities, consisted of the following:

(€ million)

	Dec. 31, 2023			First half 2023		
Name	Receivables [(1)]	Payables	Commitments	Expenses	Income	Derivative financial instruments
CCS JV Scarl	277	-	-	-	3	-
PSS Netherlands BV	3	-	-	-	-	-
Société pour la Réalisation du Port de Tanger Méditerranée	1	-	-	-	-	-
Saipon Snc	-	1	-	-	-	-
SCD JV Scarl	102	-	-	-	2	-
Other Eni Group companies (for transactions not exceeding €21 million)	1	-	-	-	2	-
Total related party transactions	**384**	**1**	**-**	**-**	**7**	**-**

(1) Shown in the statement of financial position under "Other current financial assets".

The incidence of financial transactions and positions with related parties was as follows:

	June 30, 2024			Dec. 31, 2023		
(€ million)	Total	Related parties	Incidence %	Total	Related parties	Incidence %
Current financial liabilities	66	1	1.52	97	1	1.03
Non-current financial liabilities (including current portion)	2,144	-	-	2,296	-	-
Total	**2,210**	**1**		**2,293**	**1**	

	First half 2024			First half 2023		
(€ million)	Total	Related parties	Incidence %	Total	Related parties	Incidence %
Financial income	199	24	12.06	73	7	9.59
Financial expense	(233)	(3)	1.29	(114)	-	-
Derivative financial instruments	(39)	-	-	(46)	-	-
Other operating income (expense)	2	-	-	(2)	-	-
Total - Continuing operations	**(71)**	**21**		**(89)**	**7**	
Total - Discontinued operations	**-**	**-**		**(3)**	**-**	

Financial lease transactions

There were no financial lease transactions as of June 30, 2024.
Financial lease transactions for 2023, consisted of the following:

(€ million)	Dec. 31, 2023		First half 2023		
Name	Receivables	Payables	Commitments	Expenses	Income
Consorzio F.S.B.	-	1	-	-	-
Total related party transactions	**-**	**1**	**-**	**-**	**-**

The incidence of operations or positions with related parties regarding financial lease transactions is as follows:

	June 30, 2024			Dec. 31, 2023		
(€ million)	Total	Related parties	Incidence %	Total	Related parties	Incidence %
Non-current lease liabilities (including current portion)	760	-	-	730	1	0.14
Total - Continuing operations	**760**	**-**	**-**	**730**	**1**	
Total - Discontinued operations	**-**	**-**		**-**	**-**	

The main cash flows with related parties were as follows:

(€ million)	June 30, 2024	June 30, 2023
Revenue and income	1,758	1,451
Costs and other expenses	(387)	(263)
Financial income (expenses) and derivatives	21	7
Change in trade receivables and payables	105	75
Net cash flows from operating activities - Continuing operations	**1,497**	**1,270**
Net cash flows from operating activities - Discontinued operations	**-**	**-**
Change in financial receivables	16	28
Net cash flows from investing activities - Continuing operations	**16**	**28**
Net cash flows from investing activities - Discontinued operations	**-**	**-**
Change in financial liabilities	-	-
Net cash flows from financing activities - Continuing operations	**-**	**-**
Net cash flows from financing activities - Discontinued operations	**-**	**-**
Total cash flows with related parties - Continuing operations	**1,513**	**1,298**
Total cash flows with related parties - Discontinued operations	**-**	**-**

The incidence of cash flows with related parties was as follows:

	June 30, 2024			June 30, 2023		
(€ million)	Total	Related parties	Incidence %	Total	Related parties	Incidence %
Cash flows from operating activities	455	1,497	n.s.	142	1,270	n.s.
Cash flows from investing activities	(168)	16	n.s.	(30)	28	n.s.
Cash flows from financing activities (*)	(269)	-	n.s.	208	-	n.s.

(*) Cash flows from financing activities do not include dividends distributed, net repurchases of treasury shares or capital contributions by non-controlling interests and the purchase of additional interests in consolidated subsidiaries.

Information on jointly controlled entities

Jointly controlled companies classified as joint operations do not have a significant value.

42 Significant non-recurring events and operations

In the first half of 2024, there were no significant non-recurring events and operations, as defined in the Consob Communication No. DEM/6064293 of July 28, 2006.

43 Positions or transactions arising from atypical and/or unusual operations

In the first half of 2024, there were no atypical and/or unusual positions or transactions, as defined in the Consob Communication No. DEM/6064293 of July 28, 2006.

44 Events after the reporting period

Framework agreements

On July 12, 2024, Saipem has announced the signing of a framework agreement between BP Exploration (Caspian Sea) Ltd and a consortium composed of Saipem Contracting Netherlands BV, BOS Shelf Llc and BOS Shelf International FZCo that provides for the execution of offshore activities in the Azerbaijani waters of the Caspian Sea using the vessel SCV Khankendi, a state-of-the-art vessel owned by the Shah Deniz consortium specifically designed for subsea construction. Saipem will operate the vessel and will provide the crew, with which it will carry out the offshore activities for the Shah Deniz and Azeri-Chirag-Gunashli fields, located off the coast of Azerbaijan.
The overall value of the services that can be provided upon customer request, is estimated at approximately USD 300 million, of which USD 250 million relate to Saipem's share.

INFORMATION REGARDING CENSURE BY CONSOB PURSUANT TO ARTICLE 154-*TER*, SUBSECTION 7, OF LEGISLATIVE DECREE NO. 58/1998 AND THE NOTICE FROM THE CONSOB OFFICES DATED APRIL 6, 2018

On January 30, 2018, Consob, having concluded its inspection commenced on November 7, 2016 (which ended on October 23, 2017) and about which Saipem gave information in the Annual Report 2016, has informed Saipem that it has detected non compliances in "the Annual Report as of December 31, 2016, as well as in the Interim Consolidated Report as of June 30, 2017" with the applicable international accounting standards (IAS 1 "Presentation of Financial Statements"; IAS 34 "Interim Financial Reporting"; IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", par. 5, 41 and 42; IAS 36 "Impairment of Assets", par. 31, 55-57) and, consequently, has informed Saipem about the commencement "of proceedings for the adoption of measures pursuant to Article 154-*ter*, subsection 7, of Legislative Decree No. 58/1998".
With notes of February 13 and 15, 2018, the Company transmitted to Consob its own considerations in relation to the remarks formulated by the offices of Consob, highlighting the reasons for which it does not share such remarks.
On March 2, 2018, the Commission of Consob, partially accepting the remarks of the offices of Consob, informed Saipem of its own Resolution No. 20324 (the "Resolution"), with which it ascertained the "non-compliance of Saipem's Annual Report 2016 with the regulations governing their preparation", without censuring the correctness of the Interim Consolidated Report as of June 30, 2017.
According to the Resolution, the non-compliance of Saipem's Annual Report 2016 with the regulations which govern its preparation, concerns in particular: (i) the incorrect application of the accrual basis of accounting affirmed by IAS 1; (ii) the non-application of IAS 8 in relation to the correction of errors with reference to the financial statements of 2015; and (iii) the estimation process of the discount rate pursuant to IAS 36.
Consob has therefore asked the Company, pursuant to Article 154-*ter*, subsection 7 of Legislative Decree No. 58/1998, to disclose the following elements of information to the markets:
(A) the weaknesses and non-compliance identified by Consob in relation to the accounting correctness of the financial statements mentioned above;
(B) the applicable international accounting standards and the violations encountered in relation thereto;
(C) the illustration, in an appropriate pro forma consolidated income statement and balance sheet – with comparative data – of the effects that accounting in compliance with the regulations would have produced on the 2016 balance sheet, income statement and shareholders' equity, for which incorrect information was supplied.

A. Weaknesses and non-compliance identified by Consob regarding the correctness of accounting in the consolidated and statutory financial statements of 2016.
The weaknesses and non-compliance identified by Consob with regard to the 2016 consolidated and statutory financial statements can be substantially attributed to the following two items:
(a) non-compliance of the "2016 consolidated and statutory Saipem SpA financial statements with reference to the comparative data for 2015";
(b) non-compliance of the estimation process of the discount rate underlying the impairment test for the 2016 financial statements with the requirements of IAS 36, which requires the Company to "apply the appropriate discount rate to future cash-flows".
With regard to point (a), the contestation concerns the non-compliance of the 2016 consolidated and statutory financial statements with:
(i) IAS 1, paragraph 27, according to which "an entity shall prepare its statements (except for cash flow information) using the accrual basis of accounting"; and paragraph 28, according to which "when the accrual basis of accounting is used, an entity recognises items as assets, liabilities, equity, revenue and costs (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework"; and
(ii) IAS 8, paragraph 41, according to which "[...], material errors are sometimes not discovered until a subsequent period, and these prior period errors are corrected in the comparative information presented in the financial statements for that subsequent period"; and paragraph 42 according to which "the entity shall correct the material prior period errors retrospectively in the first financial statements authorised for issue after their discovery by: (a) restating the comparative amounts for the year/years prior to the one in which the error occurred [...]".
In substance, in Consob's opinion, the circumstances at the basis of some of the impairment losses recognised in the 2016 financial statements already existed, wholly or in part, when preparing 2015 financial statements. Indeed, Consob alleges that the Company approved 2016 consolidated and statutory financial statements without having corrected the "material errors" contained in the consolidated and statutory financial statements of the previous administrative period, in relation to the following items:
> "property, plant, and equipment";
> "inventories";
> "tax assets".
With regard to point sub (b), Consob does not approve that the Company, for the purposes of the impairment test: (i) used a single rate to discount business unit cash flows, characterised by a different risk profile; (ii) did not consider the country risk in relation to some assets operating in specific geographical areas over a long period of time; (iii) did not take into account the changes in the Company risk profile subsequent to the transaction that determined the deconsolidation of Saipem from the Eni Group.

B. The applicable international accounting standards and the violations encountered in relation thereto.

Consob holds that the 2016 consolidated and statutory financial statements of Saipem as of December 31, 2016, were not compliant with the following standards: IAS 1, IAS 8, and IAS 36.

Specifically, Consob observed that the Company approved 2016 consolidated and statutory financial statements without having corrected the "material errors" contained in the consolidated and statutory financial statements of the previous administrative period, in relation to the following items:

> "property, plant, and equipment";
> "inventories";
> "tax assets".

With reference to the item "Property, plant and equipment" as of December 31, 2015, Consob alleges the incorrect application of IAS 16 "Property, plant and equipment" and of IAS 36.

Specifically, Consob alleges that some impairment losses carried out by the Company on "property, plant and equipment" in the 2016 consolidated financial statements should have been accounted for, at least in part, in the previous year.

In particular Consob alleges:

(i) the incorrect application of IAS 36 with reference to the impairment test of some assets recognised as "property, plant and equipment" of the Offshore Drilling business unit and with respect to the assets recognised in the Offshore and Onshore Engineering & Construction business units. Consob's remark relates to the manner in which the cash flows expected from the use of these assets were estimated for the purpose of applying the impairment test with regard to the 2015 financial year, and in particular to the incorrect application of IAS 36: (a) paragraph 33, letter a).This states that "in assessing value in use, an entity shall: a) base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight shall be given to external evidence"; (b) paragraph 34 in the sections that requires management to assess the reasonableness of the assumptions on which its current cash flow projections are based by examining the causes of differences between past cash flow projections and actual cash flows and ensuring that the assumptions on which its current cash flow projections are based are consistent with past actual outcomes; (c) paragraph 35 in the section that mentions the approach to be followed when using cash flow projections over a period longer than five years, stressing that such an approach is allowed "if [the entity] is confident that these projections are reliable and it can demonstrate its ability, based on past experience, to forecast cash flows accurately over that longer period";

(ii) the incorrect application of IAS 16, paragraphs 51, 56 and 57 with reference to the residual useful life of some assets registered as "Property, plant and equipment" of the Onshore Drilling business unit, of the Offshore Engineering & Construction business unit and of the Onshore Engineering & Construction business unit. Consob's remarks concern the circumstances that the review of the estimation of the residual useful life of assets cited (reported in the 2016 financial statements) should have already been done in the financial year 2015. Specifically, Consob alleges that IAS 16: (a) paragraph 51 was not correctly applied in the part that requests that "the residual value and the useful life of an asset shall be reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"; (b) paragraph 56 in the part that requires that "the future economic benefits embodied in an asset are consumed by an entity principally through its use. However, other factors, such as technical or commercial obsolescence and wear and tear while an asset remains idle, often result in the diminution of the economic benefits that might have been obtained from the asset" [...]; paragraph 57 in the part that requires that "the useful life of an asset is defined in terms of the asset's expected utility to the entity. The asset management policy of the entity may involve the disposal of assets after a specified time or after consumption of a specified proportion of the future economic benefits embodied in the asset. Therefore, the useful life of an asset may be shorter than its economic life. The estimation of the useful life of the asset is a matter of judgement based on the experience of the entity with similar assets".

As a consequence of the above-mentioned remarks, Consob likewise does not agree with the recognition of the impairment losses included in the 2016 consolidated and statutory financial statements with reference to some inventories and to a deferred tax asset related to the items criticised by Consob for which the items of the impairment loss according to Consob should have been accounted for in 2015.

Consob notes in this regard:

(i) IAS 2, paragraph 9, that "inventories shall be measured at the lower of cost and net realisable value" and at paragraph 30 that "estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise";

(ii) IAS 12 in the part that requires at paragraph 34 that "a deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised" and that "to the extent that it is not probable that taxable profit will be available against which unused tax losses or unused tax credits can be utilised, the deferred tax asset is not recognised".

Furthermore, Consob criticises the process of estimating the discount rate at the base of the impairment test for 2016 in so far as it is characterised by an approach that is not compliant with IAS 36 which requires that the Company "shall apply the appropriate discount rate to the future cash flows". More precisely, with respect to 2016 Consob does not agree with the approach taken by the Company, i.e., with reference to the execution of the impairment test it: (i) has used a single rate to discount cash flows of different business units which are characterised by different risk profiles; (ii) has not considered the country risk in relation to some assets operating in specific geographical areas over a long period of time.

In relation to the above, Consob also alleges the violation of the principle of correct representation of the company's situation which would not guarantee the observance of fundamental assumptions and qualitative characteristics of information.
Consob believes, in fact, that the importance of the errors and the significance of the shortcomings can likewise determine the non-compliance of the aforementioned financial statements with the requirements of reliability, prudence and completeness, pursuant to IAS 1.

C. The illustration, in an appropriate pro-forma consolidated income statement and balance sheet – with comparative data – of the effects that accounting in compliance with the regulations would have produced on the 2016 balance sheet, income statement and shareholders' equity, for which incorrect information was supplied.
While not sharing the judgement of non-compliance of the 2016 consolidated and statutory financial statements put forward by Consob in its Resolution, Saipem points out that the 2016 consolidated and statutory financial statements of the Company were approved by the Board of Directors on March 16, 2017 and by the Shareholders' Meeting on April 28, 2017 and were subject to audit pursuant to Legislative Decree No. 39 of January 27, 2010, Articles 14 and 16, and the report was issued on April 3, 2017.
In addition, with the press release of March 6, 2018, Saipem reported that "the Board of Directors of Saipem, in disagreement with the Resolution of Consob, resolved on March 5, 2018, to appeal the Resolution in the competent courts".
In the press release dated March 21, 2018, Saipem reported that for the purposes of ensuring a correct interpretation, and in order to implement the findings of the Resolution, today the Company has filed a petition with Consob in order to obtain interpretative clarifications suitable for overcoming the technical and evaluation complexities related to the findings of the Authority and to be able, in this way, to inform the market correctly, reaffirming that it does not share – and has no intention of accepting – the judgement of non-compliance of the consolidated and statutory financial statements as of December 31, 2016.

On April 27, 2018, Saipem lodged an appeal with the Regional Administrative Court ("TAR") of Lazio requesting the annulment of the Resolution and of any other presumed or related act and/or provision.
On May 24, 2018, Saipem filed with the TAR-Lazio additional grounds for appeal against the aforementioned Resolution.
On June 15, 2021, a hearing was held before the TAR-Lazio to discuss Saipem's appeal against the Consob Resolution of March 2, 2018.
On July 6, 2021, the TAR-Lazio rejected the appeal filed by Saipem SpA on April 27, 2018.
On July 6, 2021, Saipem SpA issued the following press release:
"Saipem: the Regional Administrative Court of Lazio rejects the appeal against Consob Resolution No. 20324 of March 2, 2018.
San Donato Milanese (Milan), July 6, 2021: Saipem SpA informs that the Regional Administrative Court ('TAR') of Lazio, through decision filed today, has rejected the appeal presented on April 27, 2018, by the Company against Consob resolution No. 20324 dated March 2, 2018 (of which the markets were informed with the Press Release dated March 5, 2018, the 'Resolution').
With the Resolution (the contents of which are described in paragraph 'Information regarding censure by Consob pursuant to Article 154-ter, subsection 7, of Legislative Decree No. 58/1998 and the notice from the Consob Offices dated April 6, 2018' of the Annual Report 2020 of Saipem SpA) Consob has stated the non-compliance of Saipem's 2016 Annual Statutory and Consolidated Reports with the regulations which govern their preparation, concerns in particular: (i) the incorrect application of the accrual basis of accounting affirmed by IAS 1; (ii) the non-application of IAS 8 in relation to the correction of errors with reference to the financial statements of 2015; and (iii) the estimation process of the discount rate pursuant to IAS 36.
With the Resolution Consob has therefore asked the Company, pursuant to Article 154-ter, subsection 7, of Legislative Decree No. 58/1998, to disclose the following elements of information to the markets: (A) the weaknesses and non-compliance identified by Consob in relation to the accounting correctness of the financial statements mentioned above; (B) the applicable international accounting standards and the violations detected in relation thereto; (C) the illustration, in an appropriate pro-forma consolidated income statements and balance sheet – with comparative data – of the effects that accounting in compliance with the regulations would have produced on the 2016 balance sheet, income statement and shareholders' equity, for which incorrect information was supplied.
Saipem SpA on April 16, 2018 issued a press release providing a pro forma consolidated income statements and balance sheet as of December 31, 2016 with the only aim to comply with the Resolution.
The TAR of Lazio has rejected the appeal presented by Saipem SpA requesting the annulment of the Resolution.
Saipem reserves its right to appeal the decision of the TAR of Lazio before the Council of State".
On November 6, 2021, Saipem SpA filed its appeal before the Council of State against the decision of the TAR of Lazio.
On March 7, 2024, a hearing was held before the Council of State to discuss the merits of the appeal brought by Saipem SpA against the ruling of the TAR-Lazio.
In a ruling dated March 19, 2024, the Council of State dismissed the appeal, dividing costs between the parties in view of the novelty of the matter and the complexity of the issues raised.

On April 16, 2018, Saipem issued a press release regarding the pro-forma consolidated income statements and statement of financial position as of December 31, 2016, for the sole purpose of complying with the Resolution.

On April 6, 2018, after the closure of the market, the Offices of Consob (Divisione Informazione Emittenti - Issuer Information Division) announced with their communication No. 0100385/18 (the "Communication"), that they started an administrative sanctioning procedure, claiming some violations pursuant to Articles 191 and 195 of Italian Legislative Decree No. 58/1998 (the "Financial Law"), relating to the offer documentation (Prospectus and Supplement to the Prospectus) made available to the public by Saipem on the occasion of its capital increase operation, which took place in January and February 2016. The alleged

violations were exclusively addressed to the members of the Board of Directors and the Chief Financial Officer/Officer responsible for financial reporting in office at that time.
The Offices of Consob, in communicating their allegations to the interested parties also pointed out that, if the alleged violations were ascertained by the Commission of Consob at the outcome of the procedure, said violations *"would be punishable by an administrative fine between €5,000 and €500,000"*.
Saipem received notice of the communication solely as guarantor ex lege for the payment *"of any economic fines that may eventually be charged to the company executives at the outcome of the administrative procedure"*.
The allegations follow Consob Resolution No. 20324 of March 2, 2018 (the "Resolution"), the content of which was communicated to the market by the Company with its press release of March 5, 2018. The Resolution – with which, as also communicated to the market, the Company disagreed and that it will appeal before the TAR-Lazio – alleged, among other things, *"the inconsistency of the assumptions and elements underlying the Strategic Plan for 2016-2019 with respect to the evidence at the disposal of the administrative bodies"*, as the indicators of possible impairment of value of the assets, later impaired by Saipem in its nine-month interim report as of September 30, 2016 would already have existed, in the opinion of Consob, at the time of approval of the consolidated financial statements of 2015.
With its Communication, the Offices of Consob have charged the company executives who, at the time of the capital increase, performed management functions, with the violations that are the subject of the Resolution and have already been communicated to the market, as stated above. The Offices of Consob further claim certain *"elements relative to the incorrect drafting of the declaration on the net working capital"* required by the standards in force applicable to the prospectus.
The foregoing would imply, according to the Offices of Consob, *"the inability of the offer documentation to ensure that the investors would be able to formulate a well-grounded opinion about the equity and financial position of the issuer, its economic results and prospects, pursuant to Article 94, sections 2 and 7, of the Financial Law, with regard to the information concerning: a) estimates of the Group's results for 2015 (Guidance 2015 and underlying assumptions)"; "b) forecast of the Group results drawn from the Strategic Plan for 2016-2019 and underlying assumptions"; "c) the declaration on the Net Working Capital"*.
Also according to the Offices of Consob, Saipem would have additionally omitted, in violation of Article 97, section 1 and Article 115, section 1, letter a), of the Financial Law, to report to Consob *"information pertaining to: (i) the assumptions underlying the declaration on its Net Working Capital; (ii) the availability of an updated 'Eni Scenario' on the price of oil; and (iii) the existence of significant amendments to the assumptions underlying the Strategic Plan for 2016-2019"*.
On July 4, 2018, Saipem, as guarantor ex lege for the payment *"of any fines that may eventually be charged to the company executives at the outcome of the administrative procedure"*, submitted its defence to Consob.
Saipem and all the company executives who have received the Communication have proceeded to file their defences with the Consob Offices.
Consob, with its Resolution No. 20828 of February 21, 2019, communicated to Saipem on March 12, 2019 and adopted at the outcome of the procedure for application of a fine initiated on April 6, 2018, applied the following fines: (a) €200,000 on the company CEO; (b) €150,000 on the Officer responsible for financial reporting in office at the time of the capital increase in 2016.
Consob also sentenced Saipem SpA to a payment of €350,000, as the party jointly liable for payment of the aforementioned administrative fines with the two persons fined pursuant to Article 195, section 9, of the Finance Law (in force at the time of the alleged violations), with obligation to recourse against the authors of the alleged breaches.
Consob ordered the filing of the procedure launched on April 6, 2018, against the non-executive Directors in office at the time of the facts alleged.
The Board of Directors of Saipem resolved on April 2, 2019 to appeal the Resolution No. 20828 before the Court of Appeal.
A similar appeal was filed by the two individuals sanctioned under the Resolution, i.e., the Chief Executive Officer of Saipem SpA and the Chief Financial Officer and Officer responsible for financial reporting in office at the time of the events. The first hearing before the Milan Court of Appeal was held on November 13, 2019.
On that day, the Milan Court of Appeal postponed the discussion to November 4, 2020.
On October 23, 2020, Saipem SpA and the two individuals sanctioned applied to the Court of Appeal, to be allowed to file documents required to debate the appeal by November 4, 2020.
On November 2, 2020, the Court of Appeal authorised the filing of the documents requested on October 23, 2020, by the parties, also granting Consob a deadline to submit any counterarguments on those documents by December 15, 2020 and postponed the hearing to discuss the appeal to January 27, 2021.
On January 20, 2021, Saipem SpA and the two individuals sanctioned presented a new application to the Court of Appeal, to be allowed to file additional documents required to debate the appeal by January 27, 2021, and to be authorised to propose new grounds for the appeal. which became known when new documents were found.
On January 21, 2021, the Court of Appeal accepted the applications by Saipem and the individuals and authorised the filing of the documents requested on January 20, 2021. The Court also upheld the proposal of additional grounds, to be submitted through written filings by February 26, 2021, and also granted Consob the right to submit its counter filings by March 25, 2021. The Court set the hearing for April 21, 2021.
At the hearing of April 21, 2021, the appeals were discussed.
The Milan Court of Appeal, partially upholding the appeals, (whilst it rejected the remaining):
- reduced from €200,000 to €150,000 the administrative financial fine imposed by Consob in 2019 against the former Chief Executive Officer of the Company in office from April 30, 2015 until April 30, 2021;
- reduce from €150,000 to €115,000 the administrative financial fine imposed by Consob in 2019 against the former CFO and Officer responsible for the Company's financial reporting in office at the time of the 2016 capital increase until June 7, 2016; and
- consequentially reduced from €350,000 to €265,000 the payment of the afore-mentioned administrative financial fines by Saipem as the party jointly and severally liable pursuant to Article 195, paragraph 9, of the Italian Consolidated Law on Finance.

On January 20, 2022, Saipem appealed the Milan Court of Appeal decision before the Italian Supreme Court ("Corte di Cassazione"). On March 1, 2022, Consob served Saipem SpA with its appeal ("controricorso con ricorso incidentale").
Saipem SpA filed its appeal against Consob's appeal ("controricorso con ricorso incidentale") on April 8, 2022.
The proceedings is still pending.

CERTIFICATION PURSUANT TO ARTICLE 154-*BIS*, PARAGRAPH 5 OF THE LEGISLATIVE DECREE NO. 58/1998 (TESTO UNICO DELLA FINANZA)

1. The undersigned Alessandro Puliti and Paolo Calcagnini in their quality as Chief Executive Officer and Manager responsible for the preparation of financial reports of Saipem SpA, also pursuant to Article 154-*bis*, paragraphs 3 and 4 of Legislative Decree No. 58 of February 24, 1998, certify that internal controls over financial reporting in place for the preparation of the condensed consolidated interim financial statements as of June 30, 2024 and during the period covered by the report, were:
- adequate to the Company structure, and
- effectively applied during the process of preparation of the report.

2. Internal controls over financial reporting in place for the preparation of the 2024 condensed consolidated interim financial statements have been defined and the evaluation of their effectiveness has been assessed based on principles and methodologies adopted by Saipem in accordance with the Internal Control - Integrated Framework Model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which represents an internationally-accepted framework for the internal control system.

3. The undersigned officers also certify that:
   3.1 condensed consolidated interim financial statements as of June 30, 2024:
      a) have been prepared in accordance with applicable international accounting standards adopted by the European Commission pursuant to Regulation (CE) No. 1606/2002 of the European Parliament and European Council of July 19, 2002;
      b) correspond to the accounting books and entries;
      c) fairly and truly represent the financial position, the performance and the cash flows of the issuer and the companies included in the consolidation as of, and for, the period presented in this report;
   3.2 the interim operating and financial review includes a reliable analysis of the material events occurred during the first half of 2024 and their impact on condensed consolidated interim financial statements, as well as a description of the main risks and uncertainties for the second half of the year. The interim operating and financial review contains a reliable analysis of the disclosure on significant related-party transactions.

July 24, 2024

/signed/ Alessandro Puliti
Alessandro Puliti
Chief Executive Officer

/signed/ Paolo Calcagnini
Paolo Calcagnini
Manager responsible for the preparation
of financial reports

INDEPENDENT AUDITORS' REPORT

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(Translation from the Italian original which remains the definitive version)

Report on review of condensed interim consolidated financial statements

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

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Saipem Group comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and notes thereto, as at and for the six months ended 30 June 2024. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

KPMG

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Saipem Group as at and for the six months ended 30 June 2024 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, 31 July 2024

KPMG S.p.A.

(signed on the original)

Cristina Quarleri
Director of Audit

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Publications
Financial statements as of December 31 (in Italian)
prepared in accordance with
Legislative Decree of April 9, 1991 No. 127
Annual Report (in English)

Interim consolidated financial report
as of June 30
(in Italian and English)

Sustainability Report 2023 (in Italian and English)

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