THE BOD APPROVES 2021 CONSOLIDATED FINANCIAL STATEMENTS AND DRAFT FINANCIAL STATEMENTS OF THE PARENT COMPANY:

REVENUES UP BY 28%, AT € 6.7 BN VS € 5.2 BN IN 2020
EBITDA UP BY 57% Y/Y AT € 495 MLN AND EBITDA MARGIN AT 7.4%
ADJUSTED NET RESULT AT € 92 MLN AND NET RESULT AT € 22 MLN VS € -245 MLN IN 2020
RECORD-HIGH PRODUCTION VOLUMES WITH 16.4 MLN PRODUCTION HOURS
TOTAL BACKLOG AT € 35.5 BN AND 19 SHIPS SUCCESSFULLY DELIVERED

Consolidated 2021 results[1]

- **Revenues**[2] up by 28.3%, at euro **6,662** million, compared to euro 5,191 million in 2020
- **EBITDA**[3] rose by 57.4 vs 2020, at euro **495** million with an **EBITDA margin** at **7.4%** excluding pass through activities (vs 6.1% in 2020) notwithstanding increased commodity prices
- **Adjusted net income**[4] at euro **92** million (negative at euro 42 million in 2020) and **net income** at euro **22** million (negative at euro 245 million in 2020), net of asbestos-related claims (euro 55 million) and to COVID-19 related costs (euro 30 million).
- **Net Financial Position**[5] at euro **859** million (euro 1,062 million on December 31, 2020) decreased despite the surge in production volumes and the investments carried out in the year, thanks to the overall positive performance of the cruise segment, with deliveries in line with schedule and costs forecasts

Operations

- **Total backlog**[6] with **115 ships**, euro **35.5** billion, approximately 5.3 times 2021 revenues[2] of which:
  - **Backlog**: euro **25.8** billion and **91** ships to be **delivered up to 2029**
  - **Soft backlog**: approximately euro **9.7** billion
- **Record-high production volumes** led by the hefty backlog and on time delivery schedule, for a total amount of **16.4 million production hours** vs 13.1 million in 2020 and 15.6 million in 2019
- Delivered **19 ships** from **12 shipyards**
- **Capital expenditure** at euro **358** million to enhance production efficiencies in the Group's shipyard, in Italy and abroad, and to improve technological standards
- **Offshore wind** - VARD confirmed as the **market leader** for both order intake and client diversification in **Service Operation Vessels** production, for the offshore wind industry

Strategic initiative

- **Cold Ironing**: LoI with **Enel X** for the development and management of next-generation port infrastructure with low environmental impact and electricity-powered solutions for ground logistics
- **Ecological transition**: JV **Power4Future** for the production of lithium-ion batteries, in both industrial and naval fields
- **Connected vehicles and smart roads**: agreement with **Almaviva** to support and boost transportation and logistics digitalization; in 2022 an additional agreement was signed with **Almaviva** and **Leonardo** for the security of Italy's critical infrastructure
- **Industrial automatization**: MoU with **Comau** for the deployment of robotic welding solutions

---
[1] *The percentages contained in this Press Release have been calculated with reference to amounts expressed in thousands of euros*
[2] *Excluding pass-through activities at euro 249 million*
[3] *This figure does not include extraordinary and non-recurring income and expenses; please refer to the paragraph Alternative Performance Measures*
[4] *Profit/(loss) for the period before extraordinary and non-recurring income and expenses*
[5] *This figure does not include construction loans and it includes non-recurrent financial receivables*
[6] *Sum of backlog and soft backlog*

- **Hydrogen-powered cruise ship**: MoU with **MSC** and **SNAM** to conduct feasibility study to examine requirements to build the **first oceangoing hydrogen-powered cruise ship**
- **Green hydrogen**: agreement with **Enel Green Power Italia** for the production, supply, management and use of green hydrogen for port areas and long-range maritime transport
- **Decarbonization**: MoU with ENI to promote initiatives focused on decarbonization in the energy, transports, and circular economy fields
- **European defence**: agreement with **Navantia** to boost collaboration in the naval and maritime domains as well as submitted the offer for the new **Modular and Multirole Patrol Corvette** (MMPC) by the consortium made up of Fincantieri, Naval Group and Navantia

Sustainability

- Kick-off of the **corporate nursery program**, demonstrating once again Fincantieri attention towards its employees
- **Sustainable Finance**: Fincantieri has signed the first credit line of trade finance for the construction of a custom-built green cable layer to operate in offshore wind farms and underwritten a sustainability-linked construction loan for the building of a cruise ship
- **Carbon Disclosure Project** (CDP) assigned to the Group the A- score on a scale ranging from A to D, recognizing its commitment in fighting Climate Change
- **Sustainalytics**, a Morningstar Company, specialized in ESG risk management rating, positioned Fincantieri in the "low risk" range and 6th out of 121 companies in the "Heavy Machinery and Trucks" category
- **Universum**: Fincantieri confirmed for the third consecutive year as Italy's Most Attractive Employer in the "Manufacturing, Mechanical and Industrial Engineering" sector
- **Green Star 2021**: Fincantieri ranked **1st in Italy**, in the "Engineering, Construction and Infrastructure" segment for its commitment to the green economy according to the German Institute of Quality (ITQF)
- **Excellence in Safety Award**: the Shipbuilder Council of America (SCA) awarded Fincantieri Marinette Marine with the "Excellence in Safety Award" and Fincantieri Bay Shipbuilding (Sturgeon Bay) with the "Improvement in Safety Award" for the outstanding health and safety conditions of both shipyards

Board of Directors resolutions

- **Approval of the draft financial statements of Fincantieri S.p.A. at December 31, 2021**
- **Approval of the Consolidated financial statements at December 31, 2021**
- **Approval of the Consolidated Non-financial Statement at December 31, 2021** pursuant to Legislative Decree No. 254/2016
- **Approval of the Report on Corporate Governance and Ownership Structure and the Report On The Policy Regarding Remuneration And Fees Paid**
- **Ordinary Shareholders' Meeting convened on single call**

* * *

Rome, March 23, 2022 – The Board of Directors of **FINCANTIERI S.p.A.** ("**Fincantieri**" or the "**Company**"), chaired by Giampiero Massolo, has approved the **draft financial statements of the parent company at December 31, 2021,** the **Consolidated financial statements at December 31, 2021,** prepared in accordance with international financial reporting and accounting standards (IFRS) and the **Consolidated non-financial statement at December 31, 2021** pursuant to Legislative Decree No. 254/2016.

During the Board meeting **Giuseppe Bono, Chief Executive Officer of Fincantieri**, said: "*The results reported today prove Fincantieri's soundness and resilience in promptly responding to the challenges set by the pandemic, which has affected the Company and all our clients. In this context, we have managed to preserve the backlog and all its commitments, successfully delivering ships on time. Inflation, raw material shortages and the ongoing conflict introduce even more uncertainties to the current scenario. The challenges we are facing require the highest level of determination and cohesion from all of our employees to address such demanding times. As a matter of fact, today's results prove the commitment and dedication of our employees and our suppliers to the Group".*

Bono concluded: "*We are certain that the Group will react once again to upcoming challenges with the utmost responsibility and will serve the Country with all the competencies developed throughout the years, both in Italy and abroad. We are proud we have become a global company, with an Italian base, and we are ready to contribute significantly to the improvement of the areas in which we operate".*

Financial Highlights

Economic data		31.12.2021		31.12.2020	
		Group	Fincantieri S.p.A.	Group	Fincantieri S.p.A.
Revenue and income	euro/million	6,911	5,238	5,879	4,391
Revenue and income excluding pass-through activities[1]	euro/million	6,662	4,989	5,191	3,703
EBITDA[2]	euro/million	495	469	314	281
EBITDA margin[*]	%	7.2%	9.0%	5.3%	6.4%
EBITDA margin excluding pass-through[1]	*%*	*7.4%*	9.4%	*6.1%*	7.6%
Adjusted profit/(loss) for the period[3]	euro/million	92	186	(42)	155
Extraordinary and non-recurring income and (expenses)	euro/million	(90)	(80)	(258)	(203)
Profit/(loss) for the period	euro/million	22	125	(245)	1
Group share of profit/(loss) for the period	euro/million	22	-	(240)	-
Financial Data		**31.12.2021**		**31.12.2020**	
		Group	**Fincantieri S.p.A.**	**Group**	**Fincantieri S.p.A.**
Net invested capital	euro/million	1,693	2,221	1,839	2,540
Equity	euro/million	834	1,771	777	1,635
Net financial position[4]	euro/million	(859)	(450)	(1,062)	(905)
Other indicators		**31.12.2021**		**31.12.2020**	
		Group	**Fincantieri S.p.A.**	**Group**	**Fincantieri S.p.A.**
Order intake[**]	euro/million	3,343	940	4,526	2,969
Order book[**]	euro/million	36,339	27,427	36,770	30,704
Total backlog[**][***]	euro/million	35,519	25,742	35,681	27,225
- of which backlog[**]	euro/million	*25,819*	*19,942*	*27,781*	*23,953*
Capital expenditures	euro/million	358	155	309	193
R&D costs	euro/million	155	124	144	113
Employees at the end of the period	Number	20,774	8,806	20,150	8,510
Vessels in order book	Number	91	49	97	57

(*) Ratio between EBITDA and Revenue and income
(**) Net of eliminations and consolidation adjustments
(***) Sum of backlog and soft backlog
(1) Please, refer to the paragraph Alternative Performance Measures
(2) This figure does not include extraordinary and non-recurring income and expenses related to the spread of COVID-19. Please, refer to the paragraph Alternative Performance Measures
(3) Profit/(loss) for the period before extraordinary and non-recurring income and expenses
(4) This figure does not include construction loans and it includes non-recurrent financial receivables
The percentages contained in this Press Release have been calculated with reference to amounts expressed in thousands of euros

Consolidated financial and economic results for 2021

Revenue and income (euro/million)	31.12.2021	31.12.2021 (excluding pass-through activities)	31.12.2020[1] (excluding pass-through activities)	Delta vs. 31.12.2020	Delta % vs. 31.12.2020
Shipbuilding	5,903	5,654	4,448	1,206	27.1%
Offshore and Specialized Vessels	456	456	369	87	23.7%
Equipment, Systems and Services	1,404	1,404	1,100	304	27.7%
Consolidation adjustments	(852)	(852)	(726)	(126)	-
Total	**6,911**	**6,662**	**5,191**	**1,471**	**28.3%**

(1) The 2020 figures have been restated following the reallocation of VARD Electro and Seaonics respectively from the Shipbuilding and the Offshore & Specialized Vessels segments to the Equipment, Systems & Services segment

Revenue and income, at euro 6,662 million for the 2021, excluding pass-through activities at euro 249 million, spiked by 28.3% compared to 2020 in line with the 25-30% increase expected for 2021. The record-high results are driven by **positive trends in every segment** in which the company operates. The Shipbuilding segment grew by 27.1% (excluding pass-through activities), with record production volumes at the Italian shipyards (16.4 million hours compared to 13.1 million in 2020 and 15.6 million in 2019). Such result is mainly due to the Group strategy furthering a **rapid recovery** from the pandemic's negative exposures. The contribution of Offshore and Specialized Vessels increased by 23.7% reflecting the effective repositioning and diversification strategy implemented by the Group with the construction of specialized vessels to be deployed in offshore wind farms. The Equipment, Systems and Services segment recorded an increase in revenues (+27.7%) mainly thanks to supporting shipbuilding activities for cruise and naval vessels.

In 2021, **87%** of revenues comes from foreign customers, in line with the figure of last year.

EBITDA, at euro **495** million (euro 314 million for 2020) benefits from both **higher production volumes** that completely recovered the contribution lost in 2020 due to the pandemic, and **improved marginality**, achieved thanks to the enhanced efficiencies in project management and production processes, which fully offset the effects of increased commodity prices. **EBITDA margin**, excluding pass-through activities, landed at **7.4%**, well beyond the guidance, raising from 6.1% in 2020. Such improvement is mainly attributable to the Shipbuilding segment (EBITDA margin at 8.3% excluding pass-through activities) that closed 2021 with record high production volumes.

EBIT stands at euro 289 million (euro 148 million in 2020), with an **EBIT margin** (EBIT on Revenue and income, excluding pass-through activities) at 4.3% (2.9% in 2020). The improvement is due to the reasons illustrated above with reference to the Group's EBITDA, despite the higher amortization registered in 2021, as a consequence of the investments carried out by the parent company in the past years to enhance planning and production processes.

Finance income and expenses and Income and expenses on Investments are negative at euro 119 million (negative at euro 144 million at December 31, 2020). The increase by euro 25 million compared with 2020, is mainly due to profits and losses on exchange rates at euro 33 million (mainly led by the loss reduction in conversion of the financing in US Dollar for the Brazilian subsidiary Vard Promar), partially offset by early repayment of euro 10 million occurred in 2020 for the purchase option of the minority interest in a subsidiary.

Adjusted Net Income for the period is positive at euro **92** million as of December 31, 2021 (negative at euro 42 million as of December 31, 2020) for the abovementioned reasons. The Group share of profits is positive at euro **92** million (negative at euro 37 million as of December 31, 2020).

Extraordinary and non-recurring income and expenses are negative at euro 90 million (euro 258 million in 2020) and include: i) costs associated to asbestos-related litigation for euro 55 million, ii) costs connected with the measures put in place to ensure employees' health and safety against COVID-19 outbreak at euro 30 million, iii) other non-recurring expenses for euro 5 million. As of December 31, 2020, expenses included those linked to the measures put in place to ensure employees' health and safety at euro 196 million, expenses associated to asbestos-related litigation for euro 52 million and other non-recurring expenses for euro 10 million.

Profit for the period is positive at **euro 22 million** (net loss of euro 245 million in 2020). The Group share is a net profit of euro 22 million, compared to a net loss of euro 240 million in the previous year.

Net invested capital, as December 31, 2021 amount to euro 1,693 million (euro 1,839 million at December 31, 2020). **Net fixed capital** rose by euro 328 million. Among the relevant charges it should be noted i) the increase in value of Intangible assets at euro 59 million mainly due to new backlog and trade relations following the acquisitions occurred in the year; ii) the inclusion into Rights of use of new leased contracts signed by some subsidiaries; iii) the increase in value of Property, plant and equipment at euro 217 million, including the partial offset of investments carried out in the period (euro 310 million) and the positive impact of the foreign currency translation of financial statements (euro 18 million) by the depreciation and amortization of the year (euro 109 million).

Net working capital reports a negative balance of euro 670 million (negative at euro 202 million at December 31, 2020) with a decrease of euro 468 million. The main changes are related to i) decrease in Construction contracts and client advances (euro 781 million), attributable to the deliveries carried out during the year and to the invoicing of the final installments of a cruise delivered in January 2022; ii) the increase in Trade receivables (euro 334 million) due to the already mentioned invoicing and the new consolidation scope; iii) the increase in Trade payables (euro 129 million) as a consequence of the high production volumes; iv) the reduction in Other current assets and liabilities (euro 120 million) mainly led by the inclusion of the tax liability toward CDP, net of the tax credit for tax consolidation related to 2020.

The **Consolidated net financial position**, which excludes construction loans, records a net debt balance of euro 859 million (net debt of euro 1,062 million at December 31, 2020), well beyond the guidance. The decrease benefits mainly by better net working capital dynamics due to the successful delivery of eight cruise vessels, one more compared to the forecasts and the partial receipt of the deferrals granted to shipowners during the most acute phases of the pandemic. It should be noted that the Net financial position is still affected by the strategy of the deferrals granted to the clients (euro 195 million at December 31, 2021), introduced in order to safeguard the sizeable backlog as well as to strengthen the mutual relationships.

Construction loans, as of December 31, 2021, amount to euro 1,075 million, with a decrease of euro 250 million compared to December 31, 2020, of which euro 1,015 million related to the Parent Company and euro 60 million to VARD. The reduction in construction loans is due to the delivery of the financed ships. Given the nature of construction loans and particularly the fact that these types of loans are obtained and can be used exclusively to finance the contracts to which they refer, management treats them in the same way as client advances and so classifies them as part of Net working capital.

In 2021, **profitability indicators**, **ROI and ROE**, were respectively **16.4%** and **2.7%.** The changes in ROI and ROE, compared to the previous year, show a positive operative performance that led to the growth of Net income and operative income, while Net invested capital decreased mainly due to the impact of production dynamics and delivery schedule on Net Working Capital.

With regard to the **indicators of strength and efficiency of the capital structure**, they reflect the stability of the Group's Total debt and the improvement in Net financial position and EBITDA.

Group operational results and performance indicators for 2021

Order intake, Backlog and Deliveries

In 2021, **the Group recorded euro 3,343 million in new orders**, compared with euro 4,526 million in 2020, with a book-to-bill ratio (new orders/revenues) of 0.5 (0.8 in 2020). This value is affected by the contraction of the cruise market due to the pandemic, while it benefits from the excellent result of the Electronics, Systems and Software segment.

Order intake *(euro/million)*	31.12.2021		31.12.2020(*)	
	Amount	%	Amount	%
FINCANTIERI S.p.A.	940	28	2,969	66
Rest of Group	2,403	72	1,557	34
Total	**3,343**	**100**	**4,526**	**100**
Shipbuilding	1,816	54	3,703	82
Offshore and Specialized Vessels	508	15	461	10
Equipment, Systems and Services	1,418	43	689	15
Consolidation adjustments	(399)	(12)	(327)	(7)
Total	**3,343**	**100**	**4,526**	**100**

(*) The comparative data were restated following the redefinition of the operational segments

The **Group's total backlog** reached euro 35.5 billion at December 31, 2021, comprising euro 25.8 billion of backlog (euro 27.8 billion at December 31, 2020) and euro 9.7 billion of soft backlog (euro 7.9 billion at December 31, 2020) with development of the contracts in portfolio up to 2029.

Backlog and total backlog guarantee respectively about 3.9 and 5.3 years of work in relation to the 2021 revenues, excluding pass-through activities.

The table below shows the allocation of backlog for the different segments:

Total backlog *(euro/million)*	31.12.2021		31.12.2020(*)	
	Amount	%	Amount	%
FINCANTIERI S.p.A.	19,942	77	23,953	86
Rest of Group	5,877	23	3,828	14
Total	**25,819**	100	**27.781**	100
Shipbuilding	22,132	86	26,077	94
Offshore and Specialized Vessels	972	4	849	3
Equipment, Systems and Services	3,627	14	1,875	7
Consolidation adjustments	(912)	(4)	(1,020)	(4)
Total	**25,819**	**100**	**27,781**	**100**
Soft backlog (**)	**9,700**	**100**	**7,900**	**100**
Total backlog	**35,519**	**100**	**35,681**	**100**

(*) The comparative data were restated following the redefinition of the operational segments
(**) Soft backlog stands for the value of existing contract options and letters of intent as well as of contracts at an advanced stage of negotiation, none of which yet reflected in the order backlog

The table below show the number of vessels, which were delivered, ordered and currently in the order book.

Deliveries, Order intake and Order book *(number of vessels)*	**31.12.2021**	**31.12.2020**
Vessels delivered	19	19
Vessels ordered	15	18
Vessels in order book	91	97

Capital Expenditure

Capital Expenditure in 2021 stands at euro 358 million, up by 15.9% compared to the previous year. Capital expenditure represented 5.4% of the Group's revenue in 2021, compared with 6.0% in 2020.

Fincantieri's sustainable growth strategy is based upon the growing order book as well as the always better product quality and optimization of costs, thanks to the constant development of production processes, the strengthening of assets and improved technological standards, in Italy and abroad.

In the last three years investments for about euro 946 million have been directed towards production sites, both in Italy and abroad, in order to optimize production. Capital expenditure in 2021 were mainly aimed at further strengthening the Group's positioning in the shipbuilding segment, both naval and cruise. The measures undertaken are aimed at adjusting European and US shipyards for the development of the sizable backlog and to establish a more efficient and technologically advanced production process, contributing to improve the margins of projects that are about to start. This has allowed to offset potential external factors such as for instance the recent increase in commodity prices.

Headcount

The **headcount** went from 20,150 units at December 31, 2020, to **20,774 units at December 31, 2021**. In Italy, there has been a +8.5% increase, going from 9,844 units at December 31, 2020 to 10,681 units at December 31, 2021. Such increase is mainly attributable to the incorporation of INSO's personnel and its subsidiary SOF and IDS.

Deliveries

The following table shows the deliveries scheduled each year, analyzed by the main business units.

(number)	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**Beyond 2026**	**Total (*)**
Cruise ships and expedition cruise vessels	8	7	7	6	5	3	1	29
Naval	7	8	7	6	9	2	4	36
Offshore and Specialized Vessels	4 (**)	8	14	4				26
Total	**19**	**23**	**28**	**16**	**14**	**5**	**5**	**91**

(*) Number of vessels in order book for the main business areas as of 31.12.2021
(**) For the purpose of representing the Fincantieri Group's operating segments, VARD shipyards have been divided into Cruise and Offshore. For this reason, the cruise units, Coral Geographer and Island Escape built by an offshore shipyard have been included among Offshore and Specialized Vessels deliveries

With regard to the vessel delivered to shipowner Viking, it is worth noticing that the delivery has been anticipated from January 2022 to December 2021. It should be noted that as of December 31, 2021, two vessels have been excluded from the order book due to the failure of the verification of the condition precedent necessary for the contract's effectiveness.

Moreover, thanks to the hefty backlog acquired, Fincantieri Marinette Marine has rescheduled its production plans in order to better develop its backlog, leading to a revised delivery schedule.

Business Outlook

The evolution of reference markets as well as the Group's performance in the last two years has been affected by the COVID-19 pandemic and by the disruption it has caused, including i) the suspension of activities in the cruise industry starting from March 2020, followed by a progressive resumption since summer 2021; ii) the pressure on shipowners' cash management, which has been sustained by financial markets, exported credit agencies, financial institutes and Fincantieri itself, through the strategy of deferrals; iii) the need to ensure strict health and safety protocols in workplaces, with subsequent effects on productivity levels, which have been fully offset, as demonstrated by 2021 results and iv) the imbalanced demand and supply of commodities (i.e. steel).

The cruise business is rapidly resuming activities, also thanks to the easing of restrictions; 264 vessels (461 thousand lower berth) from 68 brands are expected to be in operation starting from March 2022, meaning around 75% of the global lower berth capacity. CLIA's projections on the state of the cruise industry forecasted nearly 100% of fleet sailing by summer 2022. Indeed, most cruise operators witnessed a surge in bookings in 2H 2022 and in 2023 in line and for some even above 2019 levels.

Moreover, the explosion of the conflict between Russia and Ukraine, which occurred in the first months of 2022, represents a disruptive geopolitical, economic, and financial event. The macroeconomic effects related to the crisis, such as potential travel restrictions and tourism limitations which could affect the cruise industry, as well as the impacts of the sanctions towards Russia on both the global economy and international politics are complex and still hard to estimate.

Such phenomenon can cause in the short to medium term high uncertainty on future scenarios, such as the potential increase in commodities and energy prices, possible discontinuity in supply chains and productive activities, making it hard to evaluate side effects on the Group's future performance. However, in light of the current geopolitical situation, in the medium term an increase in defence budget is to be expected, along with a plan for common European Defence.

However, the results achieved by Fincantieri in 2021 confirm the effectiveness of the strategic choices put in place in the past years and the ability of the Group to respond to critical situations. Backlog preservation, business, as well as product and client diversification, along with investments aiming at improving production processes and introducing new technologies, the prompt response to the pandemic and the strong managerial cohesion when facing challenging times are a proof of the Group's strength and resilience.

In such context, excluding the macroeconomic, political uncertainties connected to the conflict between Russia and Ukraine, as well as the sanitary concerns , in 2022 the Group foresees revenues recording even higher figures than those outlined by the Group before the spread of the pandemic with a consequent improvement in marginality, despite increased commodity and energy prices that the Group is facing. These results would allow for a resumption of sustainable dividend distribution starting from 2022. Net financial position is expected to be in line with 2020 values.

The **Shipbuilding** segment remains committed to developing the hefty backlog acquired over the years. With regard to the **cruise ship** business area, during 2022 six vessels are to be delivered from the Group's Italian shipyards (Discovery Princess, delivered in January from Monfalcone shipyard, Viking Mars and Neptune, Virgin Resilient Lady, Norwegian Prima, MSC Seascape) and one vessel in the luxury-niche segment by

VARD's cruise division (Viking Polaris). An incremental consolidation relatively to the Group's performance is also to be expected, mainly due to (i) the renewed production processes and new technological solutions in the Monfalcone and Marghera shipyards; (ii) the improved efficiency at the Romanian yards and the subsequent cost reduction in the sections produced.

In the **Naval business area**, the growth in volumes is led by the ongoing projects and the investment plan aimed at (i) the enlargement of US shipyards and (ii) modernization of production systems at the Italian naval yard. Moreover, the Group continues in developing new design skills and in carrying out complex projects, becoming the only supplier of integrated solutions for naval defence within the market, including in the submarine segment. In 2022 the delivery of 7 ships from the Italian naval shipyard (for the Italian Navy and the Qatari Navy, of which the OPV Musherib was delivered in January) is to be expected. In the same yard, production activities for the Indonesian Navy are expected to begin. USA shipyards are expected to deliver one commercial unit while continuing activities for the construction of Littoral Combat Ships for US Coast Guard, units for the Royal Saudi Navy as well as the FFG-62 frigates for the US Navy.

The **Offshore ad Specialized Vessels** segment continues to expand thanks to the diversification strategy into new geographical and market areas in order to expand its offer of SOVs (Service operation vessel) with a specific focus on wind offshore and fishery. In 2022 eight deliveries are scheduled, of which one trawler was delivered to Nergard in January.

As for the **Equipment, Systems and Services** segment, the following are to be expected:

- in the **Service** business area, development of the backlog generated by the recent contracts signed with the Italian Navy and the Qatari Ministry of Defence, as well as the completion of repairs and small conversions;
- for **Complete Accommodation**, increased volumes supported by the activities for the cruise supply (cabins, wet rooms, public rooms as well as catering and windows) led by the higher volumes in prototypes and the growing activities in the Chinese market;
- for **Electronics, Systems and Software**, a significant growth in non-captive volumes towards third parties, the supply of systems for monitoring critical infrastructure and solutions for IT security, in addition to the ongoing integration activities aiming at improving operational and commercial synergies;
- in the **Mechatronics** business area, the supply of naval components and systems continues, in addition to the supply of high-tech facilities for the terrestrial sectors. It is also worth to note the continuation of activities related to the production of batteries through the joint venture Power4Future;
- for **Infrastructure**, execution of ongoing international projects and restructuring and integration of business companies to allow them to seize diversification opportunities in the facility management segment.

In the **medium to long term**, net of significant effects on global economies due to the conflict in Ukraine as well as COVID-19 related impacts, the Group remains committed to developing the workload acquired over the years, with deliveries up to 2029. Moreover, Fincantieri is also expected to confirm its leadership thanks to the conversion of some orders into backlog and to new business opportunities in all areas in which it operates. The strategy aimed at strengthening the Group's positioning in sectors related to shipbuilding, is fundamental to achieve energy transition and reduce emissions.

In this context, the Group aims to invest in productive capacity, new technologies, digitalization, and new competencies as well as to adapt the organizational structure in light of the Group's dimensions and its complexity. Moreover, the Group is committed to further strengthen its competencies and consolidate its competitive advantage within the sector.

Operational review by segment

SHIPBUILDING

(euro/million)	31.12.2021	31.12.2020 restated	31.12.2020 reported
Revenue and income(*)	5,903	5,136	5,226
Revenue and income excluding pass-through activities(1)	5,654	4,448	4,538
EBITDA(2)(*)	467	273	285
EBITDA *margin*(*)(**)	*7.9%*	*5.3%*	*5.4%*
EBITDA *margin*(*)(**) excluding pass-through activities(1)	*8.3%*	*6.1%*	*6.3%*
Order intake(*)	1,816	3,703	3,716
Order book(*)	30,413	33,882	33,929
Backlog(*)	22,132	26,077	26,088
Capital expenditure	298	250	250
Vessels delivered (number)	15	12	12

(*) Before adjustments between operating segments
(**) Ratio between operating segment EBITDA and Revenue and income
(1) Please, refer to the paragraph Alternative Performance Measures
(2) This figure does not include Extraordinary and non-recurring income and expenses, of which expenses related to the spread of COVID-19. Please, refer to the paragraph Alternative Performance Measures

Revenue and income

Shipbuilding revenues as at December 31, 2021, excluding pass-through activities, stand at euro 5,654 million, up by 27.1% compared to 2020. Revenues for the period refer to the **cruise ship** business area for euro 3.926 million (euro 3,198 million at December 31, 2020), up by 22.8% compared to 2020 and to the **naval** business area for euro 1,728 million (euro 1,250 million at December 31, 2020), up by 38.3% compared with 2020. They respectively account for 52% and 23% of the Group's revenues, highlighting a higher incidence of the naval business area revenues compared to 2020 (54% and 21%).

Cruise ship business area revenues confirm once again the very good results recorded during the year as a result of the resumption of activities in full swing in the Group's Italian shipyards. **Production volumes** (16.4 million hours vs. 13.1 million in 2020 and 15.6 million in 2019) remains at **record level** despite COVID-19 related restrictions. The Group fully respected production programs, delivering eight cruise vessels of which six in the second half of the year, thanks to the fast recovery of operation activities, despite COVID-19 regulations, and the efficiencies of the engineering and production processes launched in the past years.

The surge in production value for the **naval business area**, excluding pass-through activities relating to the FREMM unit delivered in April, reflects the progress in the Italian Navy's fleet renewal program, with the first unit, the LSS (Logistic Support Ship) "Vulcano" delivered in March and in the Qatari Ministry of Defence program, with the first corvette "Al Zubarah" delivered in October and the first patrol boat "Musherib" in January 2022. Furthermore, the business area revenues record the positive contribution of the US subsidiary FMG, which continues to develop the Foreign Military Sales program between the United States and the Kingdom of

Saudi Arabia, which envisages the supply of four Multi-Mission Surface Combatants, as well as the FFG-62 program.

EBITDA

The segment's EBITDA**,** as of December 31, 2021, stands at euro 467 million, up by 71% compared to 2020 (euro 273 million), thus confirming the growth strategy and the guidelines outlined by the Group before the pandemic. EBITDA margin, at 8.3% excluding pass-through activities (7.9% when considering total revenues), is increased when compared to the 6.1% for 2020. This was possible also thanks to the improvements of the engineering and production processes mentioned above. The result confirms the Group's capability to fully respect the delivery schedule as well as the expenditure forecasts. Such result is remarkable from both an operational and management standpoint, considering the challenging times in which it was achieved, including the pandemic, the increase in commodity prices and without being affected by supply chain and logistics disruptions.

Deliveries

The vessels delivered were:

- "Viking Venus", the first of five vessels to be delivered by Italian shipyards to shipowner Viking, at the Ancona shipyard;
- "Valiant Lady", the second of four cruise vessels ordered by shipowner Virgin Voyages, at the Sestri Ponente shipyard;
- "MSC Seashore", the largest cruise vessel ever built in Italy, at the Monfalcone shipyard;
- "Rotterdam", the third unit of the class for shipowner Holland America Line, at the Marghera shipyard;
- "Silver Dawn", the tenth unit of the Silversea fleet, at the Ancona shipyard;
- "Le Commandant Charcot", hybrid LNG propelled exploration vessel, for shipowner Ponant, at Søviknes shipyard (Norway);
- "Hanseatic Spirit", third unit of a new class of luxurious small vessels for Hapag-Lloyd Cruises, at the Langsten shipyard (Norway);
- "Viking Octantis", the first of two expedition cruise vessels for shipowner Viking, at the Søviknes shipyard (Norway);
- LSS "Vulcano", first vessel in the Italian Navy's renewable fleet program, at the Muggiano shipyard (La Spezia);
- "Al Zubarah", first corvette for the Qatari Ministry of Defence, at the Muggiano shipyard (La Spezia);
- one multi-mission frigate (FREMM), at the Muggiano shipyard (La Spezia);
- LCS 21 "USS Minneapolis St. Paul" and "LCS 23 "USS Cooperstown" at the US Marinette shipyard (Wisconsin);
- the first forward section for Chantiers de l'Atlantique within the FLOTLOG program ("Flotte logistique"), which envisages the construction of logistic support ships (LSS) for the French Navy at the Castellammare di Stabia shipyard;
- a LNG barge for Polaris, at the US Sturgeon Bay shipyard (Wisconsin).

OFFSHORE AND SPECIALIZED VESSELS

(euro/million)	31.12.2021	31.12.2020 restated	31.12.2020 reported
Revenue and income(*)	456	369	389
EBITDA(1)(*)	10	(3)	(5)
EBITDA margin(*)(**)	*2.1%*	*-0.9%*	*-1.3%*
Order intake(*)	508	461	487
Order book(*)	1,643	1,394	1,436
Backlog(*)	972	849	874
Capital expenditure	6	3	3
Vessels delivered (number)	4	7	7

(*) Before adjustments between operating segments
(**) Ratio between operating segment EBITDA and Revenue and income
(1) This figure does not include extraordinary and non-recurring income and expenses related to the spread of COVID-19. Please, refer to the paragraph Alternative Performance Measures

Revenue and income

Revenues from the Offshore and Specialized Vessels segment in 2021 amount to euro 456 million, outlined a significant increase compared to revenues in 2020 (23.7%), showing the results of the group's diversification strategy. Such trend highlights the progresses made with three ships under construction commissioned by the Norwegian Home Guard and the beginning of production activities for the SOV units, with the first one to be delivered in Q1 2022.

EBITDA

EBITDA for the segment as of December 31, 2021 is positive at euro 10 million (negative at euro 3 million at December 31, 2020), with EBITDA margin at 2.1% (-0.9% in 2020), consistent with the trend registered in the last quarters and led by the repositioning strategy toward more promising sectors embraced in 2019. As of December 21, 2021 VARD's backlog include nine SOV units and 4 options to be deployed in offshore wind farms, allowing the Group to become market leader.

Deliveries

The following vessels were delivered during the period:

- 1 expedition cruise vessel, for shipowner Coral Expeditions at the Vung Tau shipyard (Vietnam);
- 1 expedition cruise vessel for Island Escape Cruises, at the Vung Tau shipyard (Vietnam);
- 1 cable layer "Leonardo Da Vinci" for Prysmian, at the Brattvåg shipyard (Norway);
- 1 fishery vessel for the customer Luntos Co. at the Vung Tau shipyard (Vietnam).

EQUIPMENT, SYSTEM AND SERVICES

(euro/million)	31.12.2021	31.12.2020 restated	31.12.2020 reported
Revenue and income(*)	1,404	1,100	937
EBITDA(1)(*)	61	86	76
EBITDA margin(*)(**)	*4.4%*	*7.8%*	*8.1%*
Order intake(*)	1,418	689	649
Order book(*)	5,996	3,134	3,045
Backlog(*)	3,627	1,875	1,839
Capital expenditure	30	32	32

(*) Before adjustments between operating segments
(**) Ratio between operating segment EBITDA and Revenue and income
(1) This figure does not include extraordinary and non-recurring income and expenses related to the spread of COVID-19. Please, refer to the paragraph Alternative Performance Measures

Revenue and income

Revenues from Equipment, Systems and Services segment account for euro 1,404 million, up by 27.7% compared to 2020. Such increase is mainly attributable to the Complete accommodation business area, driven by the cruise volumes developed in the period and by the considerable backlog for the services part of naval contracts. It is worth to note that this has been possible also thanks to the positive performance of the Mechatronics and Electronics, Systems and Software business areas.

A restructuring plan within the infrastructure business area has been launched, accompanied by the recent change in management and the alignment with Group's strategy aiming to improve both performance and productivity.

EBITDA

The segment's EBITDA as of December 31, 2021 is equal to euro 61 million (euro 86 million at December 31, 2020), with an EBITDA margin at 4.4% (7.8% at December 31, 2020), decreasing in the fourth quarter 2021 compared to previous quarters. Such phenomenon is mainly led by the lower margins of the infrastructure segment, also due to increased commodity and energy prices as well as transportation.

OTHER ACTIVITIES

(euro/milion)	31.12.2021	31.12.2020
Revenue and income(*)	2	2
EBITDA(1)(*)	(43)	(41)
EBITDA margin(*)(**)	*n.a.*	*n.a.*
Capital expenditure	24	24

n.a. not applicable
(1) Please, refer to the paragraph Alternative Performance Measures

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

Other information

Other significant events of the period

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

On February 3, 2021, Fincantieri has officially started its activities within the SEA Defence project. The project, which has started last December, has been selected within the European Defense Industrial Development Programme (EDIDP 2019) and it aims to provide a roadmap of technologies to be included in the next generation' naval platforms.

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

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

On March 24, 2021, Enel X and Fincantieri have signed a letter of intent to work together on building and running next-generation port infrastructure with a low environmental impact and developing electricity-powered solutions for ground logistics services. In its first stage dedicated to projects with a national scope, the agreement specifically pertains to: cold ironing, which refers to providing a shore side power source to docked ships; management and optimization of energy exchanges in new infrastructure; electricity storage and production systems that use renewable sources and fuel cells.

On March 31, 2021, the icebreaker N/R Laura Bassi, the only Italian oceanographic research vessel, owned by the National Institute of Oceanography and Applied Geophysics - OGS arrived today at the Fincantieri shipyard Arsenale Triestino San Marco (ATSM) in Trieste, back from its mission in Antarctica. Here, the unit will undergo an important and delicate work completing its scientific equipment for the study and exploration of the entire marine ecosystem. Works will be carried out by Fincantieri, together with a group of local companies.

On April 26, 2021, Fincantieri, through its subsidiary Fincantieri NexTech, and Almaviva, the leading Italian group in digital innovation, signed a collaboration agreement to support and boost the digitalization process in the transportation and logistics sector. The goal is to foster a mobility system that better responds to the new needs of people and goods movement, with special attention to environmental impact and safety.

On May 20, 2021, Fincantieri and Comau, two Italian excellences and world leaders in their respective reference markets, signed a letter of intent to develop prototypes of robotized steel welding solutions and the resulting construction of series of machines, to be implemented at first in Fincantieri shipyards. Comau CEO, Paolo Carmassi, and Fincantieri General Manager, Fabio Gallia, signed the agreement.

On May 28, 2021, Fincantieri SI, a company of Fincantieri leader in the integration of electric propulsion systems and complex electromechanical systems in the marine (cold ironing) and land segment, and Faist Electronics, a Faist Group company specialized in the development and supply of complete energy storage systems (including control and power electronic devices), together have founded Power4Future, a joint venture dedicated to the production of lithium-ion batteries, considered fundamental in many industrial market segments and a source of competitive advantage for those companies and countries that own this technology.

On June 10, 2021, during MADEX (International Maritime Defense Industry Exhibition) 2021, one of the main naval exhibitions in the Asia Pacific area, Fincantieri has signed a contract with Daewoo Shipbuilding & Marine Engineering (DSME) to support the Conceptual Design of the new class of aircraft carriers “CVX” for the Navy of the Republic of Korea (South Korea). The program relating to the first-in-class unit envisages the tender for the Basic Design starting from the second half of 2021, whereas the detail design and construction will begin in the following years.

On July 19, 2021, Fincantieri ranked as the Most Attractive Employer in the Manufacturing, Mechanical and Industrial Engineering sector according to Universum, the Swedish company that certifies the most attractive employers, based on the results of a detailed questionnaire filled out by Italian college students.

On July 26, 2021, the Cruise Division of MSC Group, third largest cruise brand, Fincantieri, one of the largest shipbuilding groups and SNAM, one of the leading international energy infrastructure operator, signed a Memorandum of Understanding (MoU) to initially carry out a study that will assess the feasibility of designing and building the world’s first oceangoing cruise ship powered by hydrogen, which would allow zero-emissions operations in certain areas, and the development of the related hydrogen bunkering infrastructure.

On August 5, 2021 Fincantieri and Enel Green Power Italia signed green hydrogen agreement with the aim to define an integrated solution for the production, supply, management and use of green hydrogen for port areas and long-range maritime transport. The two companies intend to exploit their expertise and know-how in their respective sectors to identify possible sustainable and innovative solutions.

On October 19, 2021, Eni and Fincantieri signed a Memorandum of Understanding (MoU) to establish a partnership for promoting initiatives focused on the energy transition. The aim is to create a system of integrated solutions for decarbonization projects in the fields of energy, transport and the circular economy.

On November 2, 2021, Fincantieri and Navantia have reached an agreement on a Memorandum of Understanding (MoU) in order to boost their relationship and explore the joint benefit of a broadened collaboration in the naval and maritime domains. Both companies will assess future opportunities for Italian and Spanish Navies, including the development of joint projects and the participation in the development of future destroyers and other naval platforms that will be part of the future European Defence Force.

On December 1, 2021, Fincantieri continues to rank first as Italy's Most Attractive Employer in the Manufacturing, Mechanical and Industrial Engineering sector according to the Universum ranking, the Swedish company that certifies the most attractive companies for young professionals, i.e., with seniority up to 5 years, based on the results of a detailed questionnaire.

On December 8, 2021, Fincantieri, Naval Group, with their joint-venture Naviris, and Navantia boost their cooperation for the Modular Multirole Patrol Corvette (MMPC) program and reaffirm their will to work together in order to develop the first common naval capability in Europe.

On December 10, 2021, CDP, major independent non-profit organization for environmental reporting – previously known as Carbon Closure Project – scored Fincantieri A- for the activities carried out in the past year, for the second year in a row. Hence the Group confirms itself in the highest-merit range (in a scale from a minimum of 'D' to a maximum of 'A'), thus strengthening its leading position also within the fight against climate change.

On December 13, 2021, Fincantieri has bought a stake in DIDO (Decision Intelligence for inDepth Optimization), the Italian startup specialized in the development of complex industrial system models, artificial intelligence algorithms and machine learning, thanks to the skills developed by a group of professors of the Politecnico di Milano. Thanks to the operation, Fincantieri will operate a digital decision intelligence platform by 2022, the first of its kind in Italy.

On December 15 2021, Mubadala Investment Company PJSC and Fincantieri signed a Memorandum of Understanding (MoU) to start potential collaborations in the field of advanced technologies and services in the naval, marine and industrial sectors.

On December 23, 2021, Fincantieri signed the **first sustainability-linked construction loan** with bank Intesa Sanpaolo (IMI Corporate & Investment Banking Division) and Cassa Depositi e Prestiti for a maximum amount of euro 300 million. The financing revenues are intended to cover the financial requirements of the construction of a cruise ship with delivery expected in 2023.

Key events after the reporting period ended 31.12.2021

On January 17, 2022, in the presence of Prof. Elena Bonetti, the Italian Minister for Equal Opportunities and Family, Fincantieri CEO Giuseppe Bono, the secretaries general of the FIM, FIOM and UILM trade unions Roberto Benaglia, Francesca Re David and Rocco Palombella, respectively, and the Minister signed the agreement for the creation of corporate nurseries to support parenting. The first nursery will be inaugurated in Trieste within the first months of the year in the headquarters of the company's Merchant Ships Division and will be called "Fincantesimo". It will be followed by the nursery for the employees of the Monfalcone shipyard, located in the former "Albergo Operai" building, a symbol of Fincantieri's historic bond with the local community. Implementation of the project will then continue with the gradual activation of the service at the other company sites.

On January 27, 2022, Fincantieri and ENEA signed a memorandum of understanding aimed at identifying areas of common interest and developing a research and innovation program portfolio. The partnership will include different areas, among which the followings stand out: energy efficiency, renewable energy generation systems for the production, transportation and distribution of hydrogen, fuel cells, the circular economy, management and control strategies for Smart Ports and Smart Cities, materials technologies and remediation actions for sustainability in marine and terrestrial environments. In order to step up cooperation, specific working groups will be implemented, and possibilities for personnel exchange, that is ENEA researchers being hosted in Fincantieri while personnel of the Trieste group work in ENEA's Researcher Centres, are also envisaged.

On February 10, 2022, BNP Paribas Italian Branch and Fincantieri have finalized an agreement to turn the guarantee line for a maximum amount of 700 million euros granted by the bank into a "sustainability linked Guarantees Facility". The agreement has a minimum tenor of over 4 years and it is the first operation of this kind for the shipbuilding group.

On March 10, 2022, the construction of the new MSC Cruises terminal kicked off in Miami today with the "laying of the first stone". The construction work, carried out by Fincantieri Infrastructure in what is considered to be the world capital of cruise tourism, will be the largest state-of-the-art terminal in the United States and one of the most important internationally. It will be able to simultaneously harbour three latest-generation and low environmental impact ships such as MSC Cruises' future LNG-fuelled ships, scheduled to become operational in the upcoming months, handling up to 36,000 passengers a day.

On March 22, 2022, Fincantieri Marine Systems North America (FMSNA), a company specialized in marine systems, components and services which is part of the US subsidiary Fincantieri Marine Group (FMG), was awarded the maintenance contract for the U.S. Navy's "Avenger"-class minesweepers.

On March 23, 2022, the Temporary Grouping of Companies (RTI), comprising Società Italiana Dragaggi (pilot), Fincantieri Infrastructure Opere Marittime, Sales and Fincosit, signed a contract with the North Tyrrhenian Sea Port Authority for the construction of sea defense works and dredging related to the first implementation phase of the "Europe Platform". The contract has an overall value of around 383 million euros, with a Fincantieri share of almost 100 million euros.

Starting from the first months 2022, as highlighted in the "Business Outlook", the conflict between Russia and Ukraine has marked the beginning of global geopolitical as well as economic instability. In such constantly evolving context, it is still hard to estimate future business scenarios and the evolution of the Group's performance.

SUSTAINABILITY REPORT, NON-FINANCIAL STATEMENT

The Board of Directors approved the Sustainability Report 2021, pursuant to Legislative Decree No. 254/2016.

Fincantieri strongly believes that sustainability is a central asset for a sustainable development, both for society and the planet. In 2021 the Group continued to promote and engage in activities in line with its ambitious sustainability strategy. Research and development, technological innovation, environmental management, the fight against climate change and the development of human resources are Fincantieri's main pillars for a sustainable and inclusive growth, in line with the UN 2030 Agenda and the Group's commitments.

As for environmental responsibility and climate change, in 2021 the Group continued its commitment to reduce environmental impacts generated by its operations and contribute to limiting the global warming effects, by developing environmentally friendly products and services as well as contributing to the research on how to manage risks associated with climate change. In order to reach these targets, Fincantieri maintained 84% of energy supply from renewable sources, developed new technologies to reduce emissions and partnered with key industrial companies in Italy with the aim to safeguard the national interest and promote the green economy.

Regarding the Social sphere, Fincantieri deployed different actions to fight the pandemic, which cannot be considered as finished. The Company has been one of the first to launch a corporate vaccination campaign for its employees, allowing it to safeguard its most important asset, its people and everyone involved in the supply chain. The Group started a new corporate nursery program, the first of which will be open in Trieste, with the aim to promote inclusion, diversity and equal opportunities.

With regard to governance, the Fincantieri S.p.A. Board of Directors approved the Group fiscal strategy. As already exposed in the Sustainability Plan 2021 objectives, the strategy is inspired by the Code of Conduct principles, representing one of the essential means to ensure an efficient tax risk control system, one of the key factors to ensure the corporate assets integrity, as well as the Group reputation and the interest of all stakeholders.

The Group's efforts on sustainability have been recognized and rewarded by various independent bodies: CDP (previously known as Carbon Disclosure Project), the leading agency in the fight against climate change, awarded Fincantieri with the score A- for both the Climate Change rating and the Supplier Engagement Rating (SER). V.E., an agency that evaluates the integration of social, environmental and governance factors in the field of sustainability, has also positioned the Group in the highest range (Advanced) of its 2021 ranking. S&P Global evaluated the Group for the first time in the Corporate Sustainability Assessment (CSA) questionnaire, assigning it a score of 58/100 in the IEQ Machinery and Electrical Equipment basket. Sustainalytics, a Morningstar company specialized in ESG risk management rating, positioned Fincantieri in the "low risk" range and 6th out of 121 companies in the "Heavy Machinery and Trucks" category. Gaïa Rating, part of the EthiFinance Group, acknowledged the Company's efforts in the field of ESG, assigning it an overall score of 87 points out of 100.

The 2021 Sustainability Report will be made available to the public in accordance with the terms and conditions established by current legislation.

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE AND THE POLICY REGARDING REMUNERATION AND FEES PAID

The Board of Directors approved the Report on Corporate Governance and Ownership Structure for the financial year 2021 drafted by the Company pursuant to art. 123-bis of the Italian Consolidated Financial Act (Legislative Decree No. 58/1998). The Board of Directors also approved the Report on the policy regarding remuneration and fees paid drawn up in accordance with art. 123-ter of the Legislative Decree No. 58/1998 and subsequent amendments (the "Italian Consolidated Financial Act"), art. 84-quater and Annex 3A, Scheme 7-bis of the CONSOB Resolution no. 111971 of 14 May 1999 ("Issuers' Regulation") and art. 5 of the Corporate Governance Code adopted by the Corporate Governance Committee of Borsa Italiana S.p.A.

ORDINARY SHAREHOLDERS' MEETING 2022

The Board of Directors decided to convene a Shareholders' Meeting conferring mandate to the Chairman, Giampiero Massolo and to the Chief Executive Officer, Giuseppe Bono, in order to determine the convocation on a date between April 27 and May 20, 2022 to discuss and resolve upon the following: approval of the financial statements as at December 31, 2021; approval of allocation of the annual financial result; appointment of the Board of Directors; authorization to purchase and to dispose of the Company's treasury shares upon revocation of the authorization resolved at the previous Shareholders' Meeting; Report on the policy regarding remuneration and fees paid according to Article 123-ter, paragraphs 2, 3 and 4 of the Legislative Decree No. 58/1998 (the Italian Consolidated Financial Act); and supplementation of the compensation due to the auditing firm.

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

The Notice of call of the Shareholders' Meeting and the documentation related to the items on the agenda, including the Annual Report, Report on Corporate Governance and Ownership Structure, the Report on the policy regarding remuneration and fees paid and the Non Financial Report pursuant to Legislative Decree No. 254/2016, will be made available to the public as laid down by regulations in force.

Approval of the annual financial result

Approval of Financial statements Concerning the Financial statements as at December 31, 2021 of Fincantieri S.p.A. the Board of Directors resolved to propose to the Shareholders' Meeting its approval, which recorded a net profit of euro 125,224,830.45.

Approval of the allocation of the annual financial result

Concerning net results recorded by the Financial statements as at December 31, 2021, which was euro 125,224,830.45 the Board of Directors resolved to propose to the Shareholders' Meeting the allocation of the net profit as following:

- for 5% of net profit to the Legal reserve for euro 6,261,241.52
- for remaining portion to the Extraordinary reserve, for euro 118,963,588.93

The Board of Directors will not propose to the Shareholders' Meeting to distribute dividends for 2021.

Appointment of the Board of Directors

Considering that the office of FINCANTIERI S.p.A.'s Board of Directors will expire with the approval of the financial statements of 2021, the Board of Directors resolved to submit to the Shareholders' Meeting the appointment of the new members of the Board of Directors, prior determination of the number of the members and of the term of the Board of Directors' office.

The Shareholders' Meeting will be also called to determin the remuneration of the members of the Board of Directors.

Please note that with reference to the appointment of the Board of Directors the slate voting system will be applied pursuant to art. 147-ter of the Italian Consolidated Financial Act and of art. 19 of the By-Laws. The slates, accompanied by the information required by the current legislation, will be made available to the public at the Company's registered office and on the Company's website (www.fincantieri.com) in the section dealing with the Shareholders' Meeting, according to the deadlines imposed by applicable legal provisions and on the eMarket Storage platform (www.emarketstorage.com).

Authorization to purchase and dispose of treasury shares

The Board of Directors also resolved to submit the Ordinary Shareholders' Meeting the proposal for the authorization to purchase and dispose of treasury shares, following the revocation of the previous authorization granted by the Shareholder's Meeting on April 8, 2021 that has not been used until today and that would expire on October 8, 2022, limited to the authorization to purchase of treasury shares, wheras the authorization to dispose of treasury shares was granted without time limits.

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

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

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

As today, the Company holds a total of 3,012,414 ordinary shares, equal to approximately 0.18% of the total number of shares issued. The Company's subsidiaries do not hold Fincantieri shares.

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

* * *

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

* * *

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

* * *

DISCLAIMER

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

* * *

The financial results 2021 will be presented to the financial community during a conference call scheduled for Thursday March 24, 2022, at 9:00 CET.

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

Access the audio webcast through the following link.

Diamond Pass: please connect to sign in and get your personal access code.

Alternatively, please dial-in the following numbers:

Italy +39 028020911

United Kingdom +44 1212818004

United States +1 7187058796

*Hong Kong +852 58080984 then press *0*

Browser HD Audio Connection

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

* * *

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

* * *

***Fincantieri** is one of the world's largest shipbuilding groups, the only one active in all high-tech marine industry sectors. It is leader in the construction and transformation of cruise, naval and oil & gas and wind offshore vessels, as well as in the production of systems and component equipment, after-sales services and marine interiors solutions. Thanks to the expertise developed in the management of complex projects, the Group boasts first-class references in infrastructures, and is a reference player in digital technologies and cybersecurity, electronics and advanced systems.*

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

www.fincantieri.com

FINCANTIERI

Press Office	Investor Relations
Tel. +39 040 3192473	Tel. +39 040 3192111
press.office@fincantieri.it	investor.relations@fincantieri.it

APPENDICES

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

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(euro/milion)	31.12.2021 Excluding pass-through activities(1)	31.12.2021	31.12.2020 Excluding pass-through activities(1)	31.12.2020
Revenue and income	**6,662**	**6,911**	**5,191**	**5,879**
Materials, services and other costs	(5,028)	(5,277)	(3,925)	(4,613)
Personnel costs	(1,076)	(1,076)	(917)	(917)
Provisions	(63)	(63)	(35)	(35)
EBITDA(2)	**495**	**495**	**314**	**314**
EBITDA margin	***7.4%***	***7.2%***	***6.1%***	***5.3%***
Depreciation, amortization and impairment	(206)	(206)	(166)	(166)
EBIT	**289**	**289**	**148**	**148**
EBIT margin	***4.3%***	***4.2%***	***2.9%***	***2.5%***
Finance income/(costs)		(105)		(131)
Income/(expenses) from investments		(14)		(13)
Income taxes		(78)		(46)
Adjusted profit/(loss) for the period(1)		**92**		**(42)**
of which attributable to Group		92		(37)
Extraordinary and non-recurring income and (expenses)		(90)		(258)
- *of which costs relating to the impacts deriving from the spread of COVID-19 (3)*		*(30)*		*(196)*
- *of which costs relating to asbestos litigation*		*(55)*		*(52)*
- *of which other costs linked to non-recurring activities*		*(5)*		*(10)*
Tax effect of extraordinary and non-recurring income and expenses		20		55
Profit/(loss) for the period		**22**		**(245)**
of which attributable to Group		*22*		*(240)*

(1) Please, refer to the paragraph Alternative Performance Measures
(2) This figure does not include extraordinary and non-recurring income and expenses related to the spread of COVID-19. Please, refer to the paragraph Alternative Performance Measures
(3) Of which Depreciation, amortization and impairment for euro 20 million and Finance costs for euro 9 million as of December 31, 2020

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(euro/million)	31.12.2021	31.12.2020
Intangible assets	688	629
Right of use	116	85
Property, plant and equipment	1,518	1,301
Investments	123	105
Other non-current assets and liabilities	(18)	(25)
Employee benefits	(64)	(60)
Net fixed capital	**2,363**	**2,035**
Inventories and advances	886	881
Construction contracts and client advances	1,182	1,963
Construction loans	(1,075)	(1,325)
Trade receivables	936	602
Trade payables	(2,490)	(2,361)
Provisions for risks and charges	(101)	(73)
Other current assets and liabilities	(8)	111
Net working capital	**(670)**	**(202)**
Net assets/(liabilities) to be sold and discontinued operations	**-**	**6**
Net invested capital	**1,693**	**1,839**
Share capital	863	863
Reserves and retained earnings attributable to the Group	(45)	(101)
Non-controlling interests in equity	16	15
Equity	**834**	**777**
Net financial position(1)	**859**	**1,062**
Sources of funding	**1,693**	**1,839**

(1) Excluding construction loans and including non-current financial receivables

RECLASSIFIED CONSOLIDATED STATEMENT OF CASH FLOWS

(euro/million)	31.12.2021	31.12.2020
Net cash flows from operating activities	594	(14)
Net cash flows from investing activities	(535)	(376)
Net cash flows from financing activities	(109)	1,291
Net cash flows for the period	**(50)**	**901**
Cash and cash equivalents at beginning of period	**1,275**	**382**
Effects of currency transaction difference on opening cash and cash equivalents	11	(8)
Cash and cash equivalents at end of period	**1,236**	**1,275**

CONSOLIDATED NET FINANCIAL POSITION

(euro/million)	31.12.2021	31.12.2020
Cash and cash equivalents	**1,236**	**1,275**
Other current financial assets	**148**	**76**
Current financial liabilities	(105)	(153)
Debt instruments – current portion	(220)	(100)
Current portion of bank loans and credit facilities	(273)	(122)
Current debt	**(598)**	**(375)**
Net current cash/(debt)	**786**	**976**
Non-current financial receivables	**252**	**96**
Non-current financial liabilities	(1,897)	(2,134)
Non-current debt	**(1,897)**	**(2,134)**
Net financial position	**(859)**	**(1,062)**

EXCHANGE RATE

The exchange rate used to translate the financial statements of Group companies with a “functional currency” other than the Euro are as follow:

	2021		**2020**	
	12 months average	Spot at 31.12	12 months average	Spot at 31.12
US Dollar (USD)	1.1827	1.1326	1.1422	1.2271
Australian Dollar (AUD)	1.5749	1.5615	1.6549	1.5896
UAE Dirham (AED)	4.3436	4.1595	4.1947	4.5065
Canadian Dollar (CAD)	1.4826	1.4393	1.5300	1.5633
Brazilian Real (BRL)	6.3779	6.3101	5.8943	6.3735
Norwegian Krone (NOK)	10.1633	9.9888	10.7228	10.4703
Indian Rupee (INR)	87.4392	84.2292	84.6392	89.6605
Rumanian Leu (RON)	4.9215	4.9490	4.8383	4.8683
Chinese Yuan (CNY)	7.6282	7.1947	7.8747	8.0225
Swedish Krone (SEK)	10.1465	10.2503	10.4848	10.0343

ALTERNATIVE PERFORMANCE MEASURES

Fincantieri's management review the performance of the Group and its business segments also using certain measures not envisaged by the IFRS. In particular, EBITDA, in the configuration monitored by the Group, is used as the main earnings indicator, as it enables the Group's underlying profitability to be assessed, by eliminating the impact of volatility associated with non-recurring items or extraordinary items outside the ordinary course of business (please, refer to the reclassified consolidated income statement); the EBITDA configuration adopted by the Group might not be consistent with the configurations adopted by other companies.

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

- EBITDA: this is equal to earnings before taxes, before finance income and costs, before income and expenses from investments and before depreciation, amortization and impairment, as reported in the financial statements, adjusted to exclude the following items:
  - provisions for costs and legal expenses associated with lawsuits brought by employees for asbestos related damages;
  - charges connected to the impacts of COVID-19 outbreak, referring mainly to the failure to absorb fixed production costs during the shutdown of activities in 2020, the impact of reduced efficiency resulting from the implementation of the preventive measures adopted, and the costs for sanitary aids and expenses to ensure employee health and safety;
  - costs relating to reorganization plans and non-recurring other personnel costs;
  - other expenses or income outside the ordinary course of business due to particularly significant nonrecurring events.
- EBIT: this is equal to EBITDA after deducting recurring depreciation, amortization and impairment (this excludes impairment of goodwill, intangible assets and property, plant and equipment recognized as a result of impairment tests).
- Profit/(loss) before extraordinary and non-recurring income and expenses: this is equal to profit/(loss) for the period before adjustments for non-recurring items or those outside the ordinary course of business, which are reported before the related tax effect.
- Net fixed capital: this reports the fixed assets used in the business and includes the following items: Intangible assets, Rights of use, Property, plant and equipment, Investments and Other non-current assets (including the fair value of derivatives classified in non-current Financial assets and non-current Financial liabilities) net of Employee benefits.
- Net working capital: this is equal to capital employed in ordinary operations, which includes Inventories and advances, Construction contracts and client advances, Construction loans, Trade receivables, Trade payables, Provisions for risks and charges, and Other current assets and liabilities (including Income tax assets, Income tax liabilities, Deferred tax assets and Deferred tax liabilities, as well as the fair value of derivatives classified in current Financial assets and current Financial liabilities).
- Net invested capital: this is equal to the total of Net fixed capital, Net working capital, and Net assets/(liabilities) to be sold and discontinued operations.
- The Net financial position monitored by management includes:

- Net current cash/(debt): cash and cash equivalents, held-for-trading securities, current financial receivables, current financial debt (excluding construction loans), current portion of long-term loans and credit facilities, other current financial liabilities;
- Net non-current cash/(debt): non-current financial receivables, non-current financial debt, bonds, other non-current financial liabilities.

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

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

CONSOLIDATED INCOME STATEMENT

(euro/million)	31.12.2021 Amounts in IFRS statement	31.12.2021 Amounts in reclassified statement	31.12.2020 Amounts in IFRS statement	31.12.2020 Amounts in reclassified statement
A – Revenue		**6,911**		**5.879**
Operating revenue	6,799		5,782	
Other revenue and income	113		97	
Recl. to I - Extraordinary and non-recurring income and expenses	(1)			
B – Materials, services and costs		**(5,277)**		**(4.613)**
Materials, services and other costs	(5,311)		(4,727)	
Recl. to I - Extraordinary and non-recurring income and expenses	34		114	
C – Personnel costs		**(1,076)**		**(917)**
Personnel costs	(1,085)		(987)	
Recl. to I - Extraordinary and non-recurring income and expenses	9		70	
D - Provisions		**(63)**		**(35)**
Provisions	(111)		(80)	
Recl. to I - Extraordinary and non-recurring income and expenses	48		45	
E – Depreciation, amortization and impairment		**(206)**		**(166)**
Depreciation, amortization and impairment	(206)		(186)	
Recl. to I - Extraordinary and non-recurring income and expenses			20	
F – Finance income/(costs)		**(105)**		**(131)**
Finance income/(costs)	(105)		(140)	
Recl. to I - Extraordinary and non-recurring income and expenses			9	
G – Income/(expenses) from investments		**(14)**		**(13)**
Income/(expenses) from investments	(14)		(13)	
Recl. to I - Extraordinary and non-recurring income and expenses				
H – Income taxes		**(78)**		**(46)**
Income taxes	(58)		9	
Recl. L - Tax effect of extraordinary and non-recurring income and expenses	(20)		(55)	
I – Extraordinary and non-recurring income and expenses		**(90)**		**(258)**
Recl. from A - Revenues and income	1			
Recl. from B - Materials, services and other costs	(34)		(114)	
Ricl. from C - Personnel costs	(9)		(70)	
Ricl. from D - Provisions	(48)		(45)	
Ricl. from E - Depreciation, amortization and impairment			(20)	
Ricl. from F - Finance income/(costs)			(9)	
L – Tax effect of extraordinary and non-recurring income and expenses		**20**		**55**
Ricl. from H - Income taxes	20		55	
Profit/(loss) for the period		**22**		**(245)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(euro/million)		31.12.2021 Amounts in IFRS statement	31.12.2021 Amounts in reclassified statement	31.12.2020 Amounts in IFRS statement	31.12.2020 Amounts in reclassified statement
A)	**Intangible assets**		**688**		**629**
	Intangible assets	688		629	
B)	**Rights of use**		**116**		**85**
	Rights of use	116		85	
C)	**Property, plant and equipment**		**1,518**		**1,301**
	Property, plant and equipment	1,518		1,301	
D)	**Investments**		**123**		**105**
	Investments	123		105	
E)	**Other non-current assets and liabilities**		**(18)**		**(25)**
	Derivative assets	5		4	
	Other non-current assets	48		27	
	Other liabilities	(65)		(39)	
	Derivative liabilities	(6)		(17)	
F)	**Employee benefits**		**(64)**		**(60)**
	Employee benefits	(64)		(60)	
G)	**Inventories and advances**		**886**		**881**
	Inventories and advances	886		881	
H)	**Construction contracts and client advances**		**1,182**		**1,963**
	Contracts - assets	2,639		3,124	
	Contracts – liabilities	(1,361)		(1,161)	
	Provisions for onerous contract	(96)			
I)	**Construction loans**		**(1,075)**		**(1,325)**
	Construction loans	(1,075)		(1,325)	
L)	**Trade receivables**		**936**		**602**
	Trade receivables and other current assets	1,285		982	
	Recl, to O) Other assets	(349)		(380)	
M)	**Trade payables**		**(2,490)**		**(2,361)**
	Trade payables and other current liabilities	(2,850)		(2,627)	
	Recl, to O) Other liabilities	360		266	
N)	**Provisions for risks and charges**		**(101)**		**(73)**
	Provisions for risks and charges	(197)		(73)	
	Provisions for onerous contract	96			
O)	**Other current assets and liabilities**		**(8)**		**111**
	Deferred tax assets	108		78	
	Income tax assets	15		12	
	Derivatives assets	15		10	
	Recl, from L) Other current assets	349		380	
	Deferred tax liabilities	(70)		(51)	
	Income tax liabilities	(30)		(7)	
	Derivative liabilities and option fair value	(35)		(45)	
	Recl, from M) Other current liabilities	(360)		(266)	
P)	**Net assets (liabilities) held for sale and discontinued operations**				**6**
NET INVESTED CAPITAL			**1,693**		**1,839**
Q)	**Equity**		**834**		**777**
R)	**Net financial position**		**859**		**1,062**
SOURCES OF FUNDING			**1,693**		**1,839**