

FINCANTIERI BOARD OF DIRECTORS

Approval of 2022 consolidated financial statements and draft financial statements of the parent company

Rome, March 7, 2023

Cruise order resumption with higher demand for ships equipped with the most innovative **technological features** and **new generation engines**

Order intake at **euro 5.3** billion up by 59% YoY, with a positive contribution from Cruise and Offshore

19 vessels delivered from 9 shipyards

Revenues at euro 7,440 million, up by **11.7% YoY** in line with expectations and the development of the backlog

Operating performance at 3.0% impacted by inflationary pressures and 1H 2022 non-recurring items

Net loss for euro 324 million, due to extraordinary or non-recurring items

Net financial position at euro 2.5 billion, benefitting from euro 765 million cash generation in 2H 2022

Consolidated 2022 results¹

- **Revenues²** at euro **7,440** million, up by 11.7%, compared to 2021 (euro 6,662 million)
- **EBITDA³** at euro **221** million with an **EBITDA margin** at **3.0%** excluding pass through activities (vs 7.4% in 2021)
- **Group adjusted net income⁴** negative at euro **108** million (positive at euro 92 million in 2021)
- **Group net income** negative at euro **324** million (positive at euro 22 million in 2021), due to extraordinary and or non-recurring items (euro 238 million) of which non-cash items for euro 164 million (goodwill and intangible assets impairment)
- **Net Financial Position⁵** at euro **2,531** million (euro 2,238 million on December 31, 2021)

Operations

- **Total backlog⁶** with **109 ships**, euro 34.3 billion, approximately 4.6 times 2022 revenues² of which:
 - **Backlog**: euro **23.8** billion and **88** ships to be **delivered up to 2029**
 - **Soft backlog**: approximately euro **10.5** billion
- **Confirmed record-high production volumes** already recorded in 2021, with a total amount of **16.4 million production hours**
- Delivered **19 ships** from **9 shipyards**
- **Cruise**: order intake resumption since July with increased demand for highly technological ships equipped with next generation engines. Seven cruise ships were delivered in 2022:
 - MSC Seascape, second unit of the Seaside EVO class for MSC, the largest and most technologically advanced cruise ship ever built in Italy
 - Discovery Princess, sixth unit of the Royal class for Princess Cruises
 - Viking Mars and Viking Neptune, eighth and ninth cruise vessels and Viking Polaris, second expedition cruise vessel for Viking
 - Resilient Lady, third unit for Virgin Voyages
 - Norwegian Prima, first of six vessels for Norwegian Cruise Line
- **Naval**:
 - the US Navy exercised the option for the third frigate, as part of the FFG-62 Constellation program awarded to Fincantieri Marinette Marine in 2020
 - contract for the construction of a new Hydro-Oceanographic Ship for the Italian Navy Hydrographic Institute, as part of an EU tender for the defence and security sector
 - in 2022 Fincantieri delivered four units (two corvettes and two patrol vessels) out of seven to the Qatari Ministry of Defence program, with the first of four corvettes already delivered in 2021
- **Offshore**: VARD was awarded by Prysmian Group with a second order for the design and construction of a cable laying vessel, which follows the first unit already delivered in 2021

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 around euro 42 million (euro 249 million as of December 31, 2021). Please refer to the definition of "pass-through activities" which can be found in the paragraph Alternative Performance Measures

³ Group EBITDA does not include income and expenses indicated in the definition which can be found in the paragraph Alternative Performance Measures

⁴ Profit/(loss) for the period before extraordinary or non-recurring income and expenses

⁵ Net financial position reported by the Group aligned to the ESMA recommendations. Past figures are restated, the differences regarded the exclusion of construction loans, noncurrent financial liabilities on hedging instruments, liabilities for fair-value options investments and the inclusion of non-current financial receivables

⁶ Sum of backlog and soft backlog

Ratings and awards

- **CDP** (formerly Carbon Disclosure Project) assigned to Fincantieri the A- score for the third year in a row (on a scale ranging from D, the minimum, to A, the maximum), recognizing its commitment in fighting Climate Change
- **Sustainalytics**: for the second year Sustainalytics, a Morningstar company, positioned Fincantieri in the “Low Risk” range, with a score of 17.3
- **Oscar di Bilancio 2022**: Fincantieri was awarded with the Special Prize for its Sustainability Report at the 2022 Oscar di Bilancio, a financial communication award organized and promoted by Ferpi (Italian federation of public relations), Borsa Italiana and Bocconi University, which acknowledges the most virtuous companies in the field of financial reporting and relations with the stakeholders
- **Top Employers Italy**: Fincantieri received the “Top Employers Italy 2022” certification from the Top Employers Institute, for the corporate policies and HR strategies put in place for employees’ wellbeing while improving the workplace

Board of Directors resolutions

- **Approval of the draft financial statements of Fincantieri S.p.A. at December 31, 2022**
- **Approval of the Consolidated financial statements at December 31, 2022**
- **Approval of the Consolidated Non-financial statement at December 31, 2022** 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**
- **Approval of the proposal to submit the next Shareholder’s Meeting the authorization to purchase and dispose of treasury shares**

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Rome, March 7, 2023 – The Board of Directors of **FINCANTIERI S.p.A.** (“Fincantieri” or the “Company”), chaired by General Claudio Graziano, has approved the **draft financial statements of the parent company at December 31, 2022**, the **Consolidated financial statements at December 31, 2022**, prepared in accordance with international financial reporting and accounting standards (IFRS) and the **Consolidated Non-financial statement at December 31, 2022** pursuant to Legislative Decree No. 254/2016.

Pierroberto Folgiero, Fincantieri Chief Executive Officer, commented:

“2022 was a year of transition. Our performance was impacted by a set of non-recurring items, also related to the COVID-19 pandemic on supply chains as well as inflationary pressures caused by the conflict in Ukraine. Such events have led the new management to carry out a strategic review of the main ongoing projects.

Moreover, at the end of 2022, the Group defined the new 2023-2027 Business Plan, with a focus on financial discipline and risk management, along with shipyards’ innovation and technological leadership for a green and digital ship.

Folgiero concluded: *“With the revamp of the cruise sector, almost at pre-Covid levels, and additional investments in defence and renewable energies, the Group is best-positioned to seize future opportunities. 2022 order intake fully confirms such trend.”*

Financial Highlights

Economic data		31.12.2022	31.12.2021
Revenue and income	euro/million	7,482	6,911
Revenue and income excluding pass-through activities ⁽¹⁾	euro/million	7,440	6,662
EBITDA ⁽²⁾	euro/million	221	495
EBITDA margin ⁽¹⁾	%	3.0%	7.2%
EBITDA margin excluding pass-through ⁽¹⁾	%	3.0%	7.4%
Adjusted profit/(loss) for the period ⁽³⁾	euro/million	(108)	92
Extraordinary or non-recurring income and (expenses)	euro/million	(238)	(90)
Profit/(loss) for the period	euro/million	(324)	22
Group share of profit/(loss) for the period	euro/million	(309)	22
Financial data		31.12.2022	31.12.2021
Net invested capital	euro/million	3,118	3,072
Equity	euro/million	587	834
Net financial position ⁽⁴⁾	euro/million	2,531	2,238
Other indicators		31.12.2022	31.12.2021
Order intake ^(**)	euro/million	5,328	3,343
Order book ^(**)	euro/million	34,591	36,339
Total backlog ^{(**)(***)}	euro/million	34,326	35,519
- of which backlog ^(**)	euro/million	23,826	25,819
Capital expenditures	euro/million	295	358
R&D costs	euro/million	158	155
Employees at the end of the period	Number	20,792	20,774
Vessels in order book	Number	88	91

(*) 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 or 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 or non-recurring income and expenses. Please, refer to the paragraph Alternative Performance Measures

(4) Net financial position reported by the Group aligned to the ESMA recommendations. Past figures are restated, the differences regarded the exclusion of construction loans, noncurrent financial liabilities on hedging instruments, liabilities for fair-value options investments and the inclusion of non-current financial receivables. Net invested capital has been restated

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 2022

Revenue and income (euro/million)	31.12.2022	31.12.2022 (excluding pass-through activities)	31.12.2021 (excluding pass-through activities)	Delta vs. 31.12.2021	Delta % vs. 31.12.2021
Shipbuilding	5,953	5,911	5,654	257	4.5%
Offshore and Specialized Vessels	751	751	456	295	64.7%
Equipment, Systems and Services	1,659	1,659	1,404	255	18.1%
Consolidation adjustments	(881)	(881)	(852)	29	3.4%
Total	7,482	7,440	6,662	778	11.7%

Revenue and income, excluding pass-through activities, at euro 7,440 million for 2022, up by 11.7% compared to 2021 confirming the performance already recorded in previous quarters. The results are driven by positive trends in **every segment** in which the company operates. Shipbuilding grew by 4.5%, with production volumes at the Italian shipyards in line with 2021 (16.4 million production hours). Offshore and Specialized Vessels' contribution increased by 64.7% reflecting the effective repositioning strategy implemented by the Group towards the offshore wind sector. The Equipment, Systems and Services segment recorded +18.1% in revenues, mainly thanks to the Mechatronics and Complete Accommodation businesses. Net of eliminations, Shipbuilding accounts for 71% of the Group's revenues (75% in 2021), Offshore and Specialized Vessels for 9% (6% in 2021), Equipment, System and Services for 20% (19% in 2021).

Moreover, the result benefits from a positive FX effect (euro 113 million) from foreign currencies to Euro.

In 2022, 87% of revenues comes from foreign customers, in line with 2021.

EBITDA amounts to euro 221 million (euro 495 million for 2021) with **EBITDA margin, excluding pass-through activities**, at 3.0%, from 7.4% in 2021. Such result is mainly due to the lower margins recorded in the Infrastructure business, following the thorough risk analysis carried out by the newly appointed management based on the information acquired in the first half of 2022. Margins are also affected by raw material and energy inflation, with the latter steeper in the fourth quarter of the year, due to the second half 2022 adjustment of cruise ships' whole life costs. Moreover, 2022 inflationary pressures have led to negative effects on US labor market and supply chain. It should also be noted the write-down of work in progress to reflect the re-assessment of a client credit rating, risks regarding the execution of some orders and additional costs related to production programs review. This was just partially offset by more efficient production processes in Italy, driven by past years' investments.

Hereinbelow the details of extraordinary or non-recurring income and expenses not included in EBITDA:

(euro/million)	31.12.2022	31.12.2021
Asbestos related litigations	(52)	(55)
Costs relating to the impacts deriving from the spread of COVID-19	-	(30)
Other extraordinary or non-recurring income and expenses	(22)	(5)
Total	(74)	(90)

EBIT stands negative at euro 10 million (positive at euro 289 million in 2021). This, in addition to what mentioned above for the Group's EBITDA, is due to higher amortization costs (euro 231 million) as a result of the investments carried out in the last few years.

Hereinbelow the details of extraordinary or non-recurring income and expenses not included in Depreciation and Amortization:

(euro/million)	31.12.2022	31.12.2021
Goodwill impairment	(140)	
Impairment of other intangible assets	(24)	
Total	(164)	-

Finance income and expenses are negative at euro 80 million (negative at euro 105 million at December 31, 2021). The decrease is mainly attributable to higher interest income on financial receivables granted to third parties at market rates and on clients' deferrals (euro 17 million), to the positive variation of the put option fair value for minorities' FMG shareholders (euro 18 million) and lower write down of financial receivables according to IFRS 9 (euro 12 million). Such effects were partially offset by soaring interests, banks' fees and other expenses, mainly due to increased Group's indebtedness and interest rates (euro 24 million). The rise in interest rates has been partially mitigated by financial coverage.

Income and expenses on investments are negative at euro 2 million (negative at euro 14 million in 2021). The positive change of euro 12 million compared to the previous year is the result of lower losses recorded by related companies and joint ventures.

Adjusted net income for the period is negative at **euro 108 million** as of December 31, 2022 (positive at euro 92 million as of December 31, 2021) for the abovementioned items. The Group share registered a loss of euro 104 million (positive at euro 92 million as of December 31, 2021).

Extraordinary or non-recurring income and expenses are negative at euro 238 million (negative at euro 90 million in 2021). They include goodwill impairment recorded on the CGU FMG and Vard Cruise, following the impairment tests update triggered by impairment KPIs, such as the rise of interest rates, and impairment of other intangible assets for a total of euro 164 million, expenses associated with asbestos-related litigations for euro 52 million, provisions for risks of probable non-fulfilment of obligations related to offset agreements for euro 20 million and other extraordinary expenses for euro 2 million. As of December 31, 2021, this item included costs associated to asbestos-related litigation for euro 55 million, to the measures put in place to ensure employees' health and safety during COVID-19 for euro 30 million, and other non-recurring expenses for euro 5 million.

Net loss for the period stands at **euro 324 million** (net profit at euro 22 million in 2021). The Group share loss is of euro 309 million, compared to a net profit of euro 22 million in the previous year.

Net invested capital, as December 31, 2022 amounts to euro 3,118 million (euro 3,072 million at December 31, 2021). **Net fixed capital** decreased by euro 133 million. Among the relevant changes, i) the decrease in Intangible assets by euro 179 million mainly due to the goodwill impairment on CGU FMG group and Vard Cruise and other intangible asset impairment for euro 164 million, ii) the increase in value of Property, plant and equipment for euro 118 million, with the depreciation and amortization of the year (euro 126 million) partially offset the investments of the period (euro 224 million) and positive impact of the foreign currency translation of financial statements (euro 22 million) by and iii) the decrease in Other non-current financial assets for euro 90 million related to the repayments of the period and the reclassification of the short term share of third party financing.

Net working capital grew by euro 178 million when compared to 2021 (euro 440 million), to euro 618 million. The main changes are related to the increase in Construction contracts and client advances (euro 487 million) and in Trade payables (euro 204 million) resulting from the volumes of the period, namely in the cruise

business, with three ships to be delivered in the first six months of 2023, and the decrease in Trade receivables for euro 166 million, mainly due to the invoicing of the last installment for a cruise ship delivered in January 2022.

The **Consolidated net financial position**⁷ recorded a net debt balance of euro 2,531 million, slightly lower than the end of 2021 (net debt of euro 2,238 million). The result is mainly related to net working capital dynamics, to finance the production schedule and the investments in the period. The net financial position is still affected by the strategy of the deferrals granted to clients after the COVID-19 pandemic outbreak. As of December 31, 2022 the Group had non-current financial receivables granted to clients at euro 94 million.

The net financial position does not include Reverse factoring Trade payables at euro 622 million at December 31, 2022, that represent the value of suppliers' invoices to commercial banks, formally recognized as liquid and collectable by the Group, granting additional deferrals to the contractual payment terms. The mentioned deferrals are agreed between the Group and suppliers.

In 2022, **profitability indicators, ROI and ROE**, were respectively **-0.3%** and **-45.6%**. The changes in ROI and ROE, compared to the previous year, are due to the reduction in EBIT and Net income, which were heavily impacted by non-recurrent items due to the macro-economic scenario (difficulties in procurement and increased raw material prices, counterparty risks, inflationary pressures and interest rates) and lower margins in the Infrastructure business, as a result of the thorough risk analysis carried out by the management in the second half of the year. Net invested capital improved while Equity decreased, due to the loss of the period.

The capital structure indicators of strength and efficiency, compared to the previous year, show an increase in total debt and net financial position, with an EBITDA remarkably lower than the one recorded in 2021, due to the abovementioned reasons.

⁷ Please, refer to the paragraph Alternative Performance Measures

Group operational results and performance indicators for 2022

Order intake, Backlog and Deliveries

In 2022, the Group recorded euro 5,328 million in new orders, compared with euro 3,343 million in 2021, with a book-to-bill ratio (orders/revenues) of 0.7 (0.5 in 2021).

Order intake (euro/million)	31.12.2022		31.12.2021	
	Amount	%	Amount	%
FINCANTIERI S.p.A.	3,004	56	940	28
Rest of Group	2,324	44	2,403	72
Total	5,328	100	3,343	100
Shipbuilding	3,398	64	1,816	54
Offshore and Specialized Vessels	837	16	508	15
Equipment, Systems and Services	1,509	28	1,418	43
Consolidation adjustments	(416)	(8)	(399)	(12)
Total	5,328	100	3,343	100

The Group's total backlog reached euro 34.3 billion at December 31, 2022, including euro 23.8 billion of backlog (euro 25.8 billion at December 31, 2021) and euro 10.5 billion of soft backlog (euro 9.7 billion at December 31, 2021) with portfolio visibility up to 2029. Backlog and total backlog guarantee respectively about 3.2 and 4.6 years of work in relation to 2022 revenues, excluding pass-through activities.

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

Total backlog (euro/million)	31.12.2022		31.12.2021	
	Amount	%	Amount	%
FINCANTIERI S.p.A.	17,658	74	19,942	77
Rest of Group	6,168	26	5,877	23
Total	23,826	100	25,819	100
Shipbuilding	19,678	83	22,132	86
Offshore and Specialized Vessels	1,160	5	972	4
Equipment, Systems and Services	3,826	16	3,627	14
Consolidation adjustments	(838)	(4)	(912)	(4)
Total	23,826	100	25,819	100
Soft backlog (*)	10,500	100	9,700	100
Total backlog	34,326	100	35,519	100

(*) 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)	31.12.2022	31.12.2021
Vessels delivered	19	19
Vessels ordered	17	15
Vessels in order book	88	91

Capital Expenditure

Capital Expenditure in 2022 stands at euro 295 million, down by 17.6% compared to the previous year. Capital expenditure represents 3.9% of the 2022 Group's revenues excluding pass-through, compared with 5.4% in 2021.

The strengthening of corporate assets and elevating technological standards, both in Italy and abroad, are essential features to pursue Fincantieri sustainable growth strategy. It is based not only upon a growing order book, but also on the enhancement of product quality and costs optimization, through the constant upgrade of production processes to improve operational excellence at an international level.

In the last three years, investments for about euro 962 million have been directed towards production sites, both in Italy and abroad, in order to: i) optimize production; ii) further strengthen the Group's positioning in the shipbuilding industry, both naval and cruise; iii) adjust shipyards facilities to sustain sizeable backlog acquired in recent years.

Moreover, ongoing initiatives to increase efficiency are contributing to improve marginality, offsetting potential external factors such as, for instance, the recent raise in energy and raw material prices due to macroeconomic disruptions.

Headcount

The **headcount** in Italy went to 10,905 at December 31, 2022 from 10,681 at December 31, 2021. Such increase comes mainly from new hiring in the parent company, in the Complete Accommodation and Mechatronics businesses. At Group level, the workforce stands at **20,792 units at December 31, 2022**, in line with 2021. The increase registered in Vietnam, Italy and the United States, reflecting the development the current backlog, offset the reduction at the Romanian shipyard following production processes readjustments.

Deliveries

The following table shows the deliveries scheduled for the next years by type and main business unit.

<i>(number)</i>	2022	2023	2024 ^(*)	2025	2026	2027	Beyond 2027	Total ^(**)
Cruise ships and expedition cruise vessels	7	6	5	5	5	3	2	26
Naval	7	8	5	8	4	4	2	31
Offshore and Specialized Vessels	5	16	7	8				31
Total	19	30	17	21	9	7	4	88

^(*) As of December 31, 2022, one unit has been excluded from the order book due to the non-fulfilment of contract obligations

^(**) Number of vessels in order book for the main business areas as of December 31, 2022

Business Outlook

As per **cruise** industry, starting from the third quarter 2022, almost the entire fleet was back in operations, with 93% of the global fleet capacity (calculated in lower berth) sailing as of December 31, 2022 and occupancy rate in line with pre-pandemic values. Bookings for 2023 are likely to get back to historical levels or even to reach new peaks. Such promising signals, along with the resumption in order intake already in 2022, are backing expectations for the acquisition of new orders, taking also into consideration the necessary financial support provided by institutions to clients, as per industry practice⁸.

The ongoing conflict between Russia and Ukraine, as well as the increasing geopolitical tensions confirm how the **defence** industry is strictly connected to international affairs, in a scenario that further demands larger fleets and the highest technological standards. This may lead to new opportunities for companies in such a sector.

The Group's shipyards are running at full speed. Indeed, in order to safeguard the production and backlog execution, Fincantieri has put in place actions to mitigate risks, ensuring the availability of raw materials and workforce, always improving production efficiency and cost discipline, in line with the 2023-2027 Business Plan. In the first months of 2023, new strategic initiatives have been launched, in order to reinforce industrial, engineering and production efficiency, the analysis and review of procurement processes and the governance of costs.

Regarding the potential challenges the core business may face, the Group keeps on integrating its offering thanks to the development of digital and automation solutions (moving from capex supplier to leading service supplier) and the rationalization of its capabilities, playing a role as Prime contractor and integrator of complex systems in the defence business.

Furthermore, fully-aligned with the **emission reduction** roadmap for cruise ships, the first dual fuel ship, propelled mainly with liquefied natural gas (LNG) and featuring air lubrication systems (ALS) for reduced friction resistance, is scheduled to be delivered in the first half 2024.

Net of further deterioration in the macroeconomic scenario, and other unexpected operating and financial consequences, in particular for the cruise business, related to the conflict between Russia and Ukraine, and persistent imbalances caused by the pandemic outbreak, the Group expects in 2023 to maintain production at full speed, **revenues in line with 2022**, and margins improving up to 5%.

Net financial position for 2023 is foreseen to be broadly **in line with 2022**, with cash absorption due to the delivery schedule in Offshore and in the Infrastructure business to be completed in early 2024.

⁸ Please, refer to the section Risk Management – Financial risks in the Annual Report available at www.fincantieri.it

Operational review by segment

SHIPBUILDING

(euro/million)	31.12.2022	31.12.2021
Revenue and income ^(*)	5,953	5,903
Revenue and income excluding pass-through activities ⁽¹⁾	5,911	5,654
EBITDA ^{(2)(*)}	272	467
EBITDA <i>margin</i> ^{(*)(**)}	4.6%	7.9%
EBITDA <i>margin</i> ^{(*)(**)} excluding pass-through activities ⁽¹⁾	4.6%	8.3%
Order intake ^(*)	3,398	1,816
Order book ^(*)	28,159	30,413
Backlog ^(*)	19,678	22,132
Capital expenditure	218	298
Vessels delivered (number)	14	15

^(*) Before adjustments between operating segments

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

⁽¹⁾ Please, refer to the paragraph Alternative Performance Measures

⁽²⁾ This figure does not include Extraordinary or non-recurring income and expenses. Please, refer to the paragraph Alternative Performance Measures

Revenue and income

Shipbuilding revenues, excluding pass-through activities, stand at euro 5,911 million, as at December 31, 2022, up by 4.5% compared to 2021. **Cruise business** accounts for euro 4,056 million (euro 3,926 million at December 31, 2021), growing by 3.3% compared to 2021 and **Naval** for euro 1,855 million excluding pass-through activities (euro 1,728 million at December 31, 2021), +7.3% compared to 2021, benefitting from the positive effect of euro 69 million thanks to the FX effect of foreign subsidiaries' financial statements. They respectively account for 49% and 22% of the Group's revenues (52% and 23% in 2021).

Cruise revenues are sustained by **production volumes** (16.4 million production hours in line with 2021) confirming the growth trend started in 2021. The **naval business** reflects the progress in the Italian Navy's fleet renewal program while confirming the 2021 volumes for the Qatari Ministry of Defence program. Furthermore, the US subsidiary FMG, net of FX effects, is in line with 2021 volumes with the ongoing Foreign Military Sales program, between the United States and the Kingdom of Saudi Arabia, along with its commercial business (LNG barge), Constellation program (FFG-62) and Littoral Combat Ship (LCS) program.

EBITDA

The segment's EBITDA, as of December 31, 2022, stands at euro 272 million, down when compared to 2021 (euro 467 million), with EBITDA margin at 4.6% (8.3% in 2021). This result is mainly due to further increases in raw material prices, namely steel and energy, and higher inflation rates, affecting in particular the US labor market and supply chain. Energy costs loaded the fourth quarter 2022, given the cruise ships' whole life costs adjustments. 2022 marginality is affected by the write-down of work in progress (according to the IFRS 9) to reflect the re-assessment of a client credit rating, risks regarding the execution of some orders and additional costs due to the production programs review. This was just partially offset by more efficient production processes in Italy, driven by past years' investments.

Deliveries

The vessels delivered were:

- “Discovery Princess”, the sixth unit of the Royal-class for Princess Cruises, a Carnival Corporation brand, from the Monfalcone shipyard;
- “Viking Mars” and “Viking Neptune”, the eight and ninth units of the class for Viking, from the Ancona shipyard;
- “Norwegian Prima”, the first of six new generation Prima cruise ships for Norwegian Cruise Line (NCL), from the Marghera shipyard;
- “Viking Polaris”, the second of two exploration cruise vessels for Viking, built by Vard, from the Søviknes shipyard (Norway);
- “MSC Seascape”, fourth of eight units for MSC Cruises, from the Monfalcone shipyard;
- “Resilient Lady”, third of four ships for Virgin Voyages;
- “Thaon di Revel” and “Francesco Morosini”, first two Multipurpose Offshore Patrol vessels (PPA – Pattugliatore Polivalente d’Altura) for the Italian Navy, from the Muggiano shipyard (La Spezia);
- “Musherib” and “Sheraouh”, two patrol vessels, and “Damsah” and “Al Khor”, second and third corvette for the Qatari Ministry of Defence from the Muggiano shipyard (La Spezia);
- One interlake bulk carrier for Interlake Steamship co.

OFFSHORE AND SPECIALIZED VESSELS

(euro/million)	31.12.2022	31.12.2021
Revenue and income ^(*)	751	456
EBITDA ^{(1)(*)}	22	10
<i>EBITDA margin^{(*)(**)}</i>	2.9%	2.1%
Order intake ^(*)	837	508
Order book ^(*)	2,002	1,643
Backlog ^(*)	1,160	972
Capital expenditure	19	6
Vessels delivered (number)	5	4

^(*) Before adjustments between operating segments

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

⁽¹⁾ This figure does not include Extraordinary or non-recurring income and expenses. Please, refer to the paragraph Alternative Performance Measures

Revenue and income

Offshore and Specialized Vessels revenues at euro 751 million, spiked by 64.7% when compared to revenues in 2021, also thanks to the positive FX effect for euro 35 million regarding foreign subsidiaries' financial statements. This highlights the positive trend, that encompasses three ships under construction for the Norwegian Home Guard and the wind offshore production activities.

EBITDA

Offshore EBITDA as of December 31, 2022 is positive at euro 22 million (euro 10 million at December 31, 2021), with EBITDA margin at 2.9% (2.1% in 2021). This result confirms the positive effects of the repositioning strategy toward the offshore wind sector, in which the Group stands as the main operator for order acquisition and client diversification, with ten Service Operation Vessels (SOV) in portfolio as of December 31, 2022 to be deployed for the maintenance of offshore wind farms.

Deliveries

The following vessels were delivered during the period:

- a Service Operation Vessel for Ta San Shang Marine to be deployed for the maintenance of Greater Changhua offshore wind farms managed by Danish electric company Ørsted, from Vung Tau shipyard (Vietnam);
- two Fishery units, namely for Nergård Havfiske and Akraberg, from Brattvåg shipyard (Norway);
- first two Marine Robotic vessels for Ocean Infinity for the highly technological Armada fleet.

EQUIPMENT, SYSTEM AND SERVICES

(euro/million)	31.12.2022	31.12.2021
Revenue and income ^(*)	1,659	1,404
EBITDA ^{(1)(*)}	(28)	61
EBITDA margin ^{(*)(**)}	-1.7%	4.4%
Order intake ^(*)	1,509	1,418
Order book ^(*)	5,905	5,996
Backlog ^(*)	3,826	3,627
Capital expenditure	46	30

(*) Before adjustments between operating segments

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

(1) This figure does not include Extraordinary or non-recurring income and expenses. Please, refer to the paragraph Alternative Performance Measures

Revenue and income

Revenues from Equipment, Systems and Services segment account for euro 1,659 million, up by 18.1% compared to 2021. Such increase is mainly attributable to the Mechatronics and Complete accommodation businesses, and the related current backlog.

EBITDA

ESS EBITDA as of December 31, 2022 is negative at euro 28 million (euro 61 million at December 31, 2021), with an EBITDA margin at -1.7% (4.4% at December 31, 2021), with an improving fourth quarter. Such result is mainly due to infrastructure lower margins (negative EBITDA at euro 126 million with revenues at euro 262 million, resulting in an EBITDA margin negative at 47.9%), as the updated risk analysis perused by the management in the first half 2022, together with higher than expected production costs of some infrastructure projects. Commodity prices have further impacted the result.

OTHER ACTIVITIES

(euro/milion)	31.12.2022	31.12.2021
Revenue and income ^(*)	2	2
EBITDA ^{(1)(*)}	(45)	(43)
EBITDA margin ^{(*)(**)}	n.a.	n.a.
Capital expenditure	12	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 11, 2022 started, at the Muggiano (La Spezia) shipyard, the production activities for the first of 2 new-generation submarines, as part of the U212NFS (Near Future Submarine) acquisition program of the Italian Navy.

On March 10, 2022 started the construction of the new MSC Cruises terminal in Miami 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, which will be able to simultaneously harbour 3 latest-generation and low environmental impact ships such as MSC Cruises’ future LNG-fuelled ships which are scheduled to become operational in the upcoming months, handling up to 36,000 passengers a day.

On June 22, 2022 took place the steel cutting ceremony of the first of 2 new-concept gas powered ships (Liquefied Natural Gas – LNG) for TUI Cruises, a joint venture between TUI AG and Royal Caribbean Cruises. The new units will be built at the Monfalcone shipyard and delivered in 2024 and in 2026.

On June 30, 2022 The Board of Directors has appointed Mr. Pierroberto Folgiero, Chief Executive Officer, as Company’s Managing Director following the mutual resolution of the employment relationship with Mr. Fabio Gallia.

On July 8, 2022, the subsidiary IDS – Ingegneria Dei Sistemi, in collaboration with C-CORE, have been selected to develop and install the P-band Biomass Calibration Transponder (BCT) in New-Norcia, Australia. This activity is part of the contract awarded to Airbus Defence and Space Ltd. by the European Space Agency (ESA) to build its Biomass satellite for the next Earth Explorer mission.

On July 12, 2022, Fincantieri signed with bank Intesa Sanpaolo (IMI Corporate & Investment Banking Division) a “sustainability linked” revolving credit facility for a maximum amount of 500 million euros.

On October 12, 2022, Fincantieri at the Italian Embassy in Athens, a number of memoranda of understanding (MoU) with a selection of potential new suppliers in the context of the high-profile process pursued by the Hellenic Minister of National Defence for the construction of four corvettes and the provision of Integrated Logistic Support (ILS) and In Service Support (ISS).

On October 18, 2022, at Euronaval the Preliminary Consortium Agreement for the European Modular and Multirole Patrol Corvette, following the selection of the European Commission of the proposal submitted by the consortium led by Naviris together with Fincantieri, Naval Group and Navantia for the Modular and Multirole Patrol Corvette (MMPC) call.

On December 6, 2022, Fincantieri announced the first continuous education course in Genova, at the Italian Merchant Navy Academy aimed at Fincantieri technical employees working on sea trials. This is the first of a series of projects developed together with the institute. The 22 students attending in the classes will be able to do their internships at Fincantieri shipyards, applying their competences and technical capabilities.

On December 17, 2022, Fincantieri and ONEX Shipyards & Technologies Group signed an official agreement for the creation of a corvettes manufacturing line & their life-cycle support base, that will be located at Onex Naval and Maritime Elefsis Shipyards.

Key events after the reporting period ended 31.12.2022

On January 18, 2023, Fincantieri, through its U.S. subsidiary Fincantieri Marine Group, has signed a contract with CREST Wind, a joint venture between Crowley and ESVAGT, to design and build a Service Operation Vessel (SOV). The 88-meter ship will be built at Fincantieri Bay Shipbuilding and will go into service in 2026. The vessel will service the Dominion Energy Coastal Virginia Offshore Wind project in the U.S. under a long-term charter.

On February 13, 2023, within the framework of teaming up with the local industrial eco system and strengthening the collaboration between Italy and Greece, Fincantieri and Leonardo have signed a number of further memorandum of understanding (MoU) with potential new Greek suppliers, setting the basis for defining possible long term business relationships.

On February 22, 2023, EDGE entity Abu Dhabi Ship Building (ADSB), a leader in the design, new build, repair, maintenance, refit and conversion of naval and commercial vessels, and Fincantieri, one of the world's leading shipbuilding groups, signed an Industrial Cooperation Agreement at the International Defence Exhibition and Conference (IDEX 2023). Under the terms of the agreement, EDGE and Fincantieri will join forces on the design, construction, and fleet management of military and commercial vessels, as well as creating new business opportunities in the local and international markets with value-added advanced technology solutions.

On March 3, 2023, the subsidiary VARD signed the contract with a new client, Edda Wind, for the construction of four Commissioning Service Operation Vessels (CSOV). The first two vessels are expected to be delivered in Q1 2025, the third in Q2 2025 and the fourth in Q1 2026.

On March 7, 2023, Fincantieri, through its subsidiary Vard, has signed a contract with an international shipping company for the design and construction of a new cable-laying vessel, with delivery scheduled for 2024.

The draft financial statements at December 31, 2022 and the Consolidated financial statements at December 31, 2022 will be made available to the public in accordance with the terms and conditions established by current legislation.

The Financial Statement at December 31, 2022 will be submitted to the approval of the next Shareholder's Meeting.

SUSTAINABILITY REPORT, NON FINANCIAL STATEMENT

The Board of Directors approved the Sustainability Report 2022, pursuant to Legislative Decree No. 254/2016.

The purpose of the document is to provide a clear and transparent overview of Fincantieri Group's environmental, social, and governance (ESG) initiatives, projects, and performance, as well as its contribution to the United Nations 2030 Agenda's Sustainable Development Goals (SDGs).

Through its renewed sustainability strategy, the Group aims to distinguish itself for its ESG performance. In this time of transformation, sustainability represents a pivotal element in the evolution of production processes and an essential goal in the development of the product portfolio aligned with customer needs. The focus on sustainability contributes to a high level of resilience and sustainable development of the Group.

In 2022, Fincantieri's leadership on sustainability issues was recognized by various rating agencies and organisations. The Group received the A- score by CDP - Climate Change marking the third consecutive year it has achieved this distinction. Additionally, Fincantieri improved its Sustainalytics score by 2.4 points - from 19.7 to 17.3 (0 best / >40 worst) - compared to 2021. Furthermore, during 2022, Fincantieri strengthened its sustainability governance by appointing a new Board of Directors, 50% of whom possess ESG expertise. The Group remains committed to its sustainable success trajectory and has implemented numerous initiatives to this end, such as the underwriting of "green" finance products amounting to approximately euro 2 billion and monitoring strategic suppliers through sustainability audits. During 2022, the Group performed 40 audits and found no instances of non-compliance.

Fincantieri places people at the center of its social responsibility strategy. As testament to this approach, Fincantieri has been designated by the Top Employers Institute as "Top Employers Italy 2022", the official acknowledgement of corporate excellence in HR policies and strategies aimed at enhancing people's wellbeing and improve the work environment and labour market.

To fulfil its commitment to promoting the development, valorisation, and safeguarding of its employees, the Group increased the economic resources dedicated to training by 80% compared to the previous year. This investment resulted in a significant increase in the average training hours, which rose to 24.7 hours per capita (+ 19% vs 2021).

In order to spread the feedback culture, Fincantieri adopted a new performance appraisal tool, which enabled the involvement of an increasing number of employees.

During the year, the percentage of female employees hired was 17%, resulting in a 15% of female representation within the Group.

The Group is also committed to promoting a more sustainable economy and society, with particular regards to reducing its environmental impact.

Fincantieri implemented numerous initiatives in 2022 that, despite high production volumes (+ 11.7% in revenues vs 2021) and complex geopolitical scenarios, led to an improvement in its environmental performance. Specifically, the Group achieved a 7% reduction in waste production, a 5% reduction in water withdrawal, and a 2% reduction in energy consumption. The Group's greenhouse gas (GHG) emissions from Scope 1 and 2 increased by only 1%.

In 2022, the Monfalcone, Sestri, Marghera, Palermo and Castellammare di Stabia shipyards obtained the ISO 50001 certification for their Energy Management System, which involves monitoring energy consumption and the continuous improvement of the shipyard's energy performance. Moreover, two shipyards in the United States were granted Green Marine certifications. These measures will allow to continuously monitor and achieve energy consumption reduction in the short term.

In pursuit of these objectives and to contribute to the fight against climate change, in 2022 Fincantieri kept the percentage of electricity coming from renewable sources above 80%. It also researched and developed new technologies designed to reduce emissions and established significant partnerships with other major players in the industry to protect the national interest and establish a low-carbon economy.

The 2022 Sustainability Report will be made publicly available in accordance with the terms and conditions provided for 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 2022 drafted by the Company pursuant to art. 123-*bis* of the Legislative Decree No. 58/1998 (TUF) and in compliance with the provisions of the Corporate Governance Code of Borsa Italiana to which the Company adheres.

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 TUF and 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.

The Report on corporate governance and ownership structure and the Report on the policy regarding remuneration and fees paid will be made available to the public in accordance with the terms and conditions established by current legislation.

The next Shareholder's Meeting will be asked to resolve by binding vote on the first section of the Report on the policy regarding remuneration and fees paid and by non-binding vote on the second section of the same Report.

PROPOSAL FOR THE AUTHORIZATION TO PURCHASE AND DISPOSE OF TREASURY SHARES

The Board of Directors also resolved to submit the next 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 May 16, 2022 for the part that has not been used until today.

The authorization to purchase and dispose of treasury shares is required in order to 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 market Euronext Milan 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 1,128,666 ordinary shares, equal to approximately 0.07% 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, which will be submitted the next Shareholder's Meeting, are contained in the explanatory report by the Board of Directors in accordance with Article 125-ter of the TUF and of the Article 73 of the Issuers' Regulation 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 2022 will be presented to the financial community during a conference call scheduled for March 8, 2023, at 9 am 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

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Fincantieri is one of the world's leading shipbuilding groups, the only one active in all areas of high-technology shipbuilding. It is a leader in the construction and conversion of cruise vessels, as well as in the naval and offshore vessels. It operates in the wind, oil & gas, fishing vessel and specialized vessel segments, as well as in the production of mechatronic and electronic marine systems, naval accommodation solutions and the provision of after-sales services such as logistical support and assistance to fleets in service.

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 almost 21,000 employees.

www.fincantieri.com

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APPENDICES

Presented below are the reclassified consolidated versions of the income statement, statement of financial position and statement of cash flows, 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/million)	31.12.2022	31.12.2021
Revenue and income	7,482	6,911
Revenue and income excluding pass-through activities¹	7,440	6,662
Materials, services and other costs ²	(5,960)	(5,028)
Personnel costs	(1,186)	(1,076)
Provisions	(73)	(63)
EBITDA³	221	495
EBITDA margin	3.0%	7.2%
EBITDA margin excluding pass-through activities¹	3.0%	7.4%
Depreciation and amortization	(231)	(206)
EBIT⁴	(10)	289
EBIT margin	-0.1%	4.2%
EBIT margin excluding pass-through activities¹	-0.1%	4.3%
Finance income/(costs)	(80)	(105)
Income/(expenses) from investments	(2)	(14)
Income taxes	(16)	(78)
Adjusted profit/(loss) for the period¹	(108)	92
<i>of which attributable to Group</i>	<i>(104)</i>	<i>92</i>
Extraordinary or non-recurring income and (expenses)	(238)	(90)
- of which costs relating to the impacts deriving from the spread of COVID-19 ⁵	-	(30)
- of which costs relating to asbestos litigation	(52)	(55)
- of which impairment of intangible assets	(164)	-
- of which other costs linked to non-recurring activities	(22)	(5)
Tax effect of extraordinary or non-recurring income and expenses	22	20
Profit/(loss) for the period	(324)	22
<i>of which attributable to Group</i>	<i>(309)</i>	<i>22</i>

(1) Please, refer to the paragraph Alternative Performance Measures

(2) This figure does not include pass-through activities. Please, refer to the paragraph Alternative Performance Measures

(3) This figure does not include extraordinary or non-recurring income and expenses. Please, refer to the paragraph Alternative Performance Measures

(4) This figure does not include impairments of goodwill, intangible assets and Property, plant and equipment recognized as a result of impairment tests or specific considerations on the recoverability of individual assets

(5) It should be noted that costs relating to the impacts deriving from the spread of COVID-19, referring to lower production efficiency and expenses to ensure employees' health and safety incurred in 2021, which are considered extraordinary, have been included in Extraordinary or non-recurring income and (expenses), net of elements the management do not deem indicative of the Group's operating performance, allowing for a better comparison with 2022

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(euro/million)	31.12.2022	31.12.2021
Intangible assets	509	688
Right of use	127	116
Property, plant and equipment	1,636	1,518
Investments	118	123
Other non-current financial assets	162	252
Other non-current assets and liabilities	1	(1)
Employee benefits	(54)	(64)
Net fixed capital	2,499	2,632
Inventories and advances	864	886
Construction contracts and client advances	1,669	1,182
Trade receivables	770	936
Trade payables	(2,694)	(2,490)
Provisions for risks and charges	(191)	(101)
Other current assets and liabilities	200	27
Net working capital	618	440
Net assets/(liabilities) to be sold and discontinued operations	1	-
Net invested capital	3,118	3,072
Share capital	863	863
Reserves and retained earnings attributable to the Group	(277)	(45)
Non-controlling interests in equity	1	16
Equity	587	834
Net financial position¹	2,531	2,238
Sources of funding	3,118	3,072

(1) Net financial position reported by the Group aligned to the ESMA recommendations. Past figures are restated, the differences regarded the exclusion of construction loans, noncurrent financial liabilities on hedging instruments, liabilities for fair-value options investments and the inclusion of non-current financial receivables. As a consequence, Net invested capital has been restated

RECLASSIFIED CONSOLIDATED STATEMENT OF CASH FLOWS¹

(euro/million)	31.12.2022	31.12.2021
Net cash flows from operating activities	(58)	862
Net cash flows from investing activities	(225)	(535)
Net cash flows from financing activities	(389)	(377)
Net cash flows for the period	(672)	(50)
Cash and cash equivalents at beginning of period	1,236	1,275
Effects of currency transaction difference on opening cash and cash equivalents	1	11
Cash and cash equivalents at end of period	565	1,236

(1) Following the new configuration adopted as Net financial position reporting that includes construction loans, cash flows from construction loans are included in the net cash flow from financing activities. 2021 data have been restated

CONSOLIDATED NET FINANCIAL POSITION

(euro/million)	31.12.2022	31.12.2021
Current financial liabilities	(96)	(139)
Debt instruments – current portion	(81)	(220)
Current portion of bank loans and credit facilities	(1,110)	(273)
Construction loans	(645)	(1,075)
Current debt	(1,932)	(1,707)
Non-current financial liabilities	(1,345)	(1,915)
Non-current debt	(1,345)	(1,915)
Total Debt	(3,277)	(3,622)
Cash and cash equivalents	565	1,236
Other current financial assets	181	148
Net financial position¹	(2,531)	(2,238)

(1) Net financial position reported by the Group aligned to the ESMA recommendations. Past figures are restated, the differences regarded the exclusion of construction loans, noncurrent financial liabilities on hedging instruments and liabilities for fair-value options investments and the inclusion of non-current financial receivables. As a consequence, Net invested capital has been restated
The reconciliation between the Net financial position required by CONSOB communication no. DEM/6064293 of July, 28 2006 can be found at Note 33 of the Consolidated Financial Statement

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:

	2022		2021	
	12 months average	Spot at 31.12	12 months average	Spot at 31.12
US Dollar (USD)	1.0530	1.0666	1.1827	1.1326
Australian Dollar (AUD)	1.5167	1.5693	1.5749	1.5615
UAE Dirham (AED)	3.8673	3.9171	4.3436	4.1595
Canadian Dollar (CAD)	1.3695	1.4440	1.4826	1.4393
Brazilian Real (BRL)	5.4399	5.6386	6.3779	6.3101
Norwegian Krone (NOK)	10.1026	10.5138	10.1633	9.9888
Indian Rupee (INR)	82.6864	88.1710	87.4392	84.2292
Rumanian Leu (RON)	4.9313	4.9495	4.9215	4.9490
Chinese Yuan (CNY)	7.0788	7.3582	7.6282	7.1947
Swedish Krone (SEK)	10.6296	11.1218	10.1465	10.2503

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 already mentioned above, the Net financial position reported by the Group, compared with the 2021 Annual Report, has been modified and aligned to ESMA recommendations, past figures are restated. The main differences regarded the exclusion of construction loans, non-current financial liabilities on hedging instruments, liabilities for fair-value options investments and the inclusion of non-current financial receivables. As a consequence, Net fixed capital ratios, Net working capital, Net invested capital have been restated.

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 effects of COVID-19 outbreak, referring mainly to 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 non-recurring events.
- EBIT: this is equal to EBITDA after deducting recurring depreciation, amortization and impairment (this excludes impairment of goodwill, intangible assets and property, plant and equipment recognized as a result of impairment tests or specific considerations on the recoverability of individual assets).
- Profit/(loss) before extraordinary or 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, non-current Financial assets and Other non-current assets (including the fair value of derivatives classified in non-current Financial assets) 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, 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).
- Net invested capital: this is equal to the total of Net fixed capital and Net working capital.

- The Net financial position monitored by management includes:
 - Net current cash/(debt): cash and cash equivalents, current financial receivables, current financial debt, current portion of long-term loans;
 - Net non-current cash/(debt): non-current financial debt, 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 described above, and EBITDA.
- Net financial position/Total equity: this is calculated as the ratio between the Net financial position, as described above, 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)	31.12.2022		31.12.2021	
	Amounts in IFRS statement	Amounts in reclassified statement	Amounts in IFRS statement	Amounts in reclassified statement
A – Revenue		7,482		6,911
Operating revenue	7,349		6,799	
Other revenue and income	133		113	
Recl. To I – Extraordinary or non-recurring income and expenses	-		(1)	
B – Materials, services and costs		(6,002)		(5,277)
Materials, services and other costs	(6,008)		(5,311)	
Recl. To I – Extraordinary or non-recurring income and expenses	6		34	
C – Personnel costs		(1,186)		(1,076)
Personnel costs	(1,186)		(1,085)	
Recl. To I – Extraordinary or non-recurring income and expenses	-		9	
D – Provisions		(73)		(63)
Provisions	(140)		(111)	
Recl. To I – Extraordinary or non-recurring income and expenses	67		48	
E – Depreciation, amortization and impairment		(231)		(206)
Depreciation, amortization and impairment	(396)		(206)	
Recl. To I – Extraordinary or non-recurring income and expenses	165			
F – Finance income/(costs)		(80)		(105)
Finance income/(costs)	(80)		(105)	
G – Income/(expenses) from investments		(2)		(14)
Income/(expenses) from investments	(2)		(14)	
H – Income taxes		(16)		(78)
Income taxes	6		(58)	
Recl. L – Tax effect of extraordinary or non-recurring income and expenses	(22)		(20)	
I – Extraordinary or non-recurring income and expenses		(238)		(90)
Recl. from A – Revenue	-		1	
Recl. from B – Materials, services and other costs	(6)		(34)	
Recl. from C – Personnel costs	-		(9)	
Recl. from D – Provisions	(67)		(48)	
Recl. from E – Depreciation, amortization and impairment	(165)			
L – Tax effect of extraordinary or non-recurring income and expenses		22		20
Recl. from H – Income taxes	22		20	
Profit/(loss) for the period		(324)		22

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(euro/million)	31.12.2022		31.12.2021	
	Amounts in IFRS statement	Amounts in reclassified statement	Amounts in IFRS statement	Amounts in reclassified statement
A) Intangible assets		509		688
<i>Intangible assets</i>	509		688	
B) Rights of use		127		116
<i>Rights of use</i>	127		116	
C) Property, plant and equipment		1,636		1,518
<i>Property, plant and equipment</i>	1,636		1,518	
D) Investments		118		123
<i>Investments</i>	118		123	
E) Non-current Financial assets		162		252
<i>Non-current Financial assets</i>	171		257	
<i>Recl. to F – Derivative assets</i>	(9)		(5)	
F) Other non-current assets and liabilities		1		(1)
<i>Other non-current assets</i>	49		47	
<i>Recl. from E – Derivative assets</i>	9		5	
<i>Other liabilities</i>	(57)		(53)	
G) Employee benefits		(54)		(64)
<i>Employee benefits</i>	(54)		(64)	
H) Inventories and advances		854		886
<i>Inventories and advances</i>	854		886	
I) Construction contracts and client advances		1,669		1,182
<i>Construction contracts – assets</i>	3,085		2,639	
<i>Construction contracts – liabilities and client advances</i>	(1,152)		(1,361)	
<i>Onerous Contracts Provision</i>	(264)		(96)	
L) Trade receivables		770		936
<i>Trade receivables and other current assets</i>	1,177		1,285	
<i>Recl. to O - Other assets</i>	(407)		(349)	
M) Trade payables		(2,694)		(2,490)
<i>Trade payables and other current liabilities</i>	(3,021)		(2,850)	
<i>Recl. to O - Other liabilities</i>	327		360	
N) Provisions for risks and charges		(191)		(101)
<i>Provisions for risks and charges</i>	(455)		(197)	
<i>Onerous Contracts Provision</i>	264		96	
O) Other current assets and liabilities		200		27
<i>Deferred tax assets</i>	183		108	
<i>Income tax assets</i>	22		15	
<i>Derivatives assets</i>	23		15	
<i>Recl. from L - Other current assets</i>	407		349	
<i>Deferred tax liabilities</i>	(83)		(70)	
<i>Income tax liabilities</i>	(25)		(30)	
<i>Recl. from M - Other current liabilities</i>	(327)		(360)	
NET INVESTED CAPITAL		3,118		3,072
P) Equity	602		834	
Q) Net Financial Position	2,531		2,238	
SOURCES OF FUNDING		3,118		3,072