

SARAS GROUP  
HALF-YEAR FINANCIAL REPORT  
AS OF 30<sup>TH</sup> JUNE 2024



FROM SOURCES TO RESOURCES



SARAS

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*The Financial Statements have been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the reports and the English version, the Italian version shall prevail, as the Italian version constitutes the official document.*

# Statutory and Control Bodies

## BOARD OF DIRECTORS

MASSIMO MORATTI	Chairman
FRANCO BALSAMO	CEO, General Manager and Director
THOMAS BAKER	Director
CLIVE CHRISTISON	Director
DAT DUONG	Director
CIPREA SCOLARI	Director
VALENTINA CANALINI	Independent Director
ADRIANA CERRETELLI	Independent Director
LAURA FIDANZA	Independent Director
FRANCESCA STEFANIA LUCHI	Independent Director
GIOVANNI MANCINI known as GIANFILIPPO	Independent Director
SILVIA PEPINO	Independent Director

## BOARD OF STATUTORY AUDITORS

ROBERTO CASSADER	Chairman
FABRIZIO COLOMBO	Permanent Auditor
PAOLA SIMONELLI	Permanent Auditor
PINUCCIA MAZZA	Stand-in Auditor
DANIELA SAVI	Stand-in Auditor

## EXECUTIVE RESPONSIBLE FOR FINANCIAL REPORTING

FABIO PERETTI	Chief Financial Officer
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## INDEPENDENT AUDITING FIRM

PwC S.p.A.

# Group Activities

The Saras Group operates in the energy sector and is one of the leading independent oil refiners in Europe. The Sarroch refinery, on the coast south-west of Cagliari, is one of the largest in the Mediterranean in terms of production capacity (15 million tons per year, or 300,000 barrels per day) and one of the most advanced in terms of plant complexity (Nelson Index of 11.7). Located in a strategic position in the middle of the Mediterranean, the refinery is owned and managed by the subsidiary Sarlux Srl and is a reference model in terms of efficiency and environmental sustainability, due to its technological know-how and expertise acquired in more than sixty years of activity. To best exploit these resources, Saras has introduced a business model based on the integration of its supply chain through close coordination between refinery operations and trading & supply activities. This also includes the subsidiary Saras Trading SA, based in Geneva, one of the world's main hubs for trading in oil commodities, which buys crudes and other raw materials for the refinery, sells refined products, and carries out trading activities.

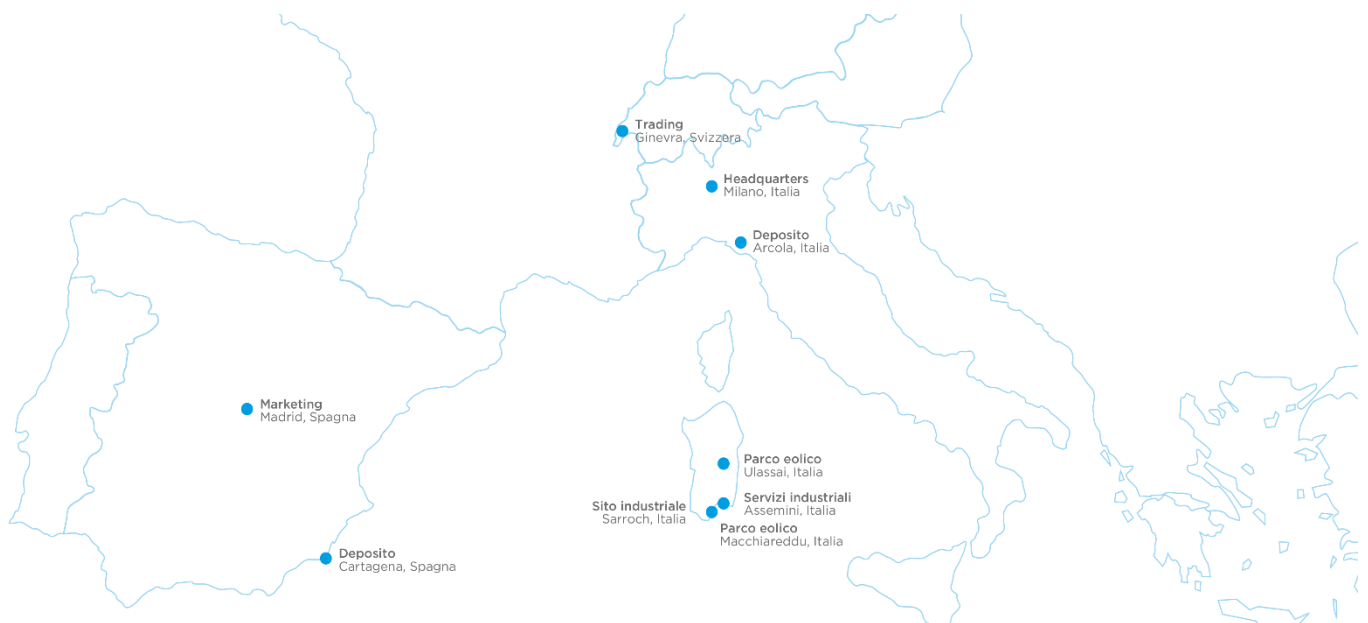
The Group sells and distributes oil products directly and through its subsidiaries, such as diesel, gasoline, diesel fuel for heating, liquefied petroleum gas (LPG), virgin naphtha, fuel for aviation and bunkering, mainly on the Italian and Spanish (Saras Energia S.A.) markets, but also in various other European and non-European countries.

The Group is also active in the production and sale of electricity, through the IGCC plant (Integrated Gasification Combined Cycle), combined with the refinery and also managed by the subsidiary Sarlux, with an installed capacity of 575 MW. The plant, which since April 2021 has been recognized by ARERA as one of the essential plants for the security of the Italian electricity system, uses heavy refining products and transforms them into more than 3.5 billion kWh/year of electricity, contributing to about 42% of the electricity needs of Sardinia.

Still in Sardinia, the Group produces and sells electricity from renewable sources, through three wind farms and one solar plant (which started operations in June 2024), for a total installed capacity to date of 250 MW.

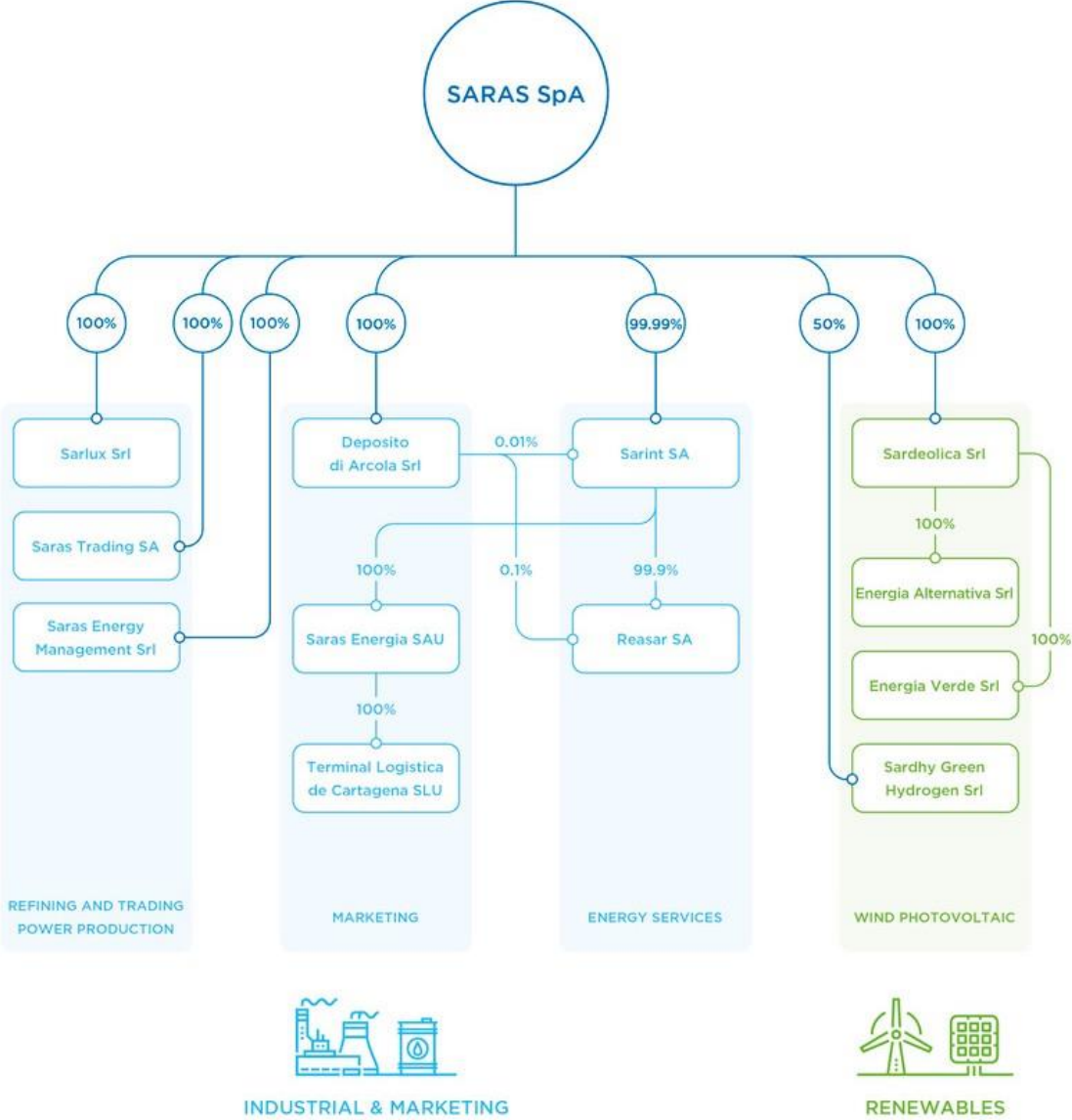
At the end of 2021, the company SardHy Green Hydrogen Srl, 50% owned by Saras SpA and 50% by Enel Green Power Italia Srl, was established with the objective of starting the first authorization procedures and, if the financing required under the European IPCEI program is obtained, of carrying out the engineering, procurement, and construction of the new 20 MW hydrolyzer for green hydrogen production, through the formalization of dedicated contracts.

Finally, in July 2023, the company Saras Energy Management Srl, wholly-owned by Saras SpA, was established with the aim of dispatching the electricity produced by the group companies on the Sardinian electricity grid, and purchasing the electricity requirements for the refinery and the IGCC plant, optimizing the input and withdrawal flows.



# Structure of the Saras Group

The following picture illustrates the structure of the Saras Group and the main companies involved in each business segment, as of 30/06/24.



# Saras Stock Performance

The following data relate to Saras' share prices and the daily volumes, traded during the first six months of 2024.

SHARE PRICE (EUR)	H1'24
Minimum price (08/01/2024)*	1.501
Maximum price (10/04/2024)*	1.8065
Average price**	1.699
Closing price at the end of the first six months of 2024 (28/06/2024)	1.619

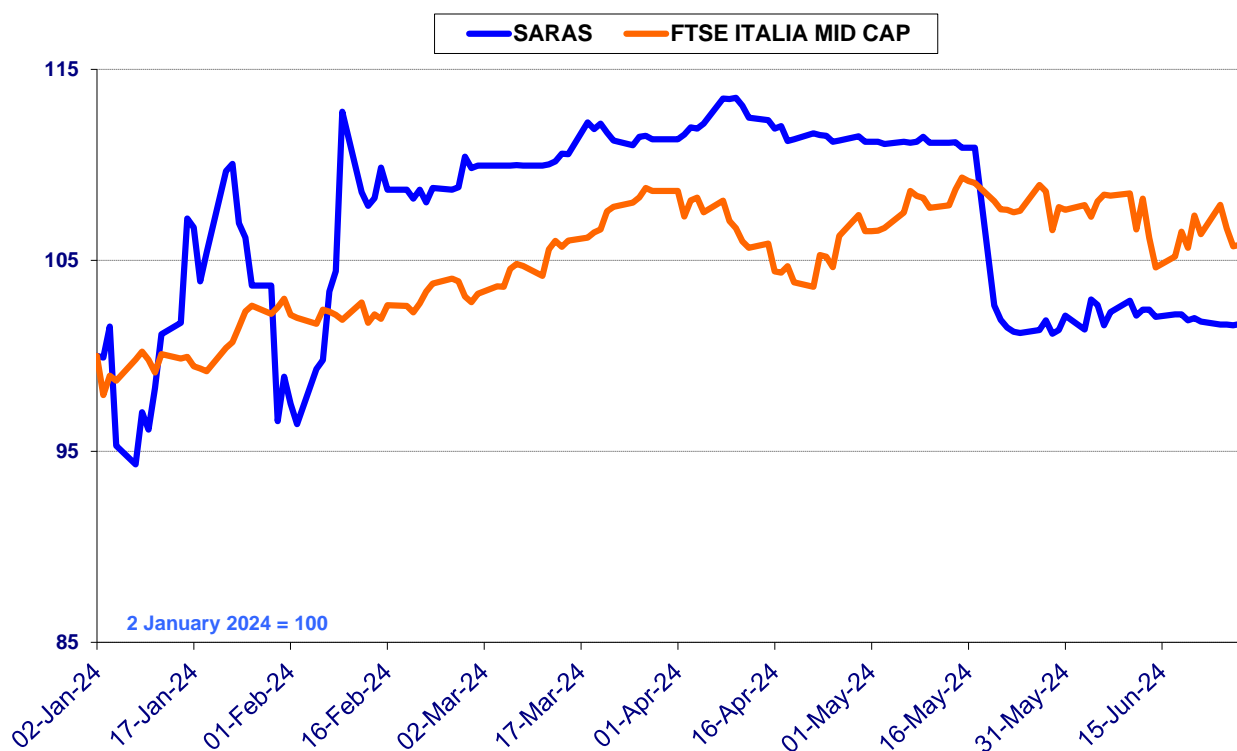
\* Minimum and maximum prices refer to official reference prices on the closing of each trading day.

\*\* The average price is calculated as the arithmetic average of the closing prices from 02/01/24 to 28/06/24.

DAILY TRADED VOLUMES	H1'24
Maximum traded volume in EUR million (12/02/2024)	97.3
Maximum traded volume in number of shares (million) (12/02/2024)	56.3
Minimum traded volume in EUR million (22/04/2024)	1.0
Minimum traded volume in number of shares (million) (22/04/2024)	0.6
Average traded volume in EUR million	9.1
Average traded volume in number of shares (million)	5.4

The Market capitalization at the end of the first six months of 2024 was equal to approximately EUR 1,540 million and the total number of outstanding shares were 951 million. At today's date, the Company does not hold any treasury shares.

The following graph shows the daily performance of Saras' share price during the first six months of 2024, compared to the "FTSE Italia Mid Cap" Index of the Italian Stock Exchange:



# REPORT ON OPERATIONS

On June 18, 2024, Varas S.p.A. ("**Varas**"), a special purpose vehicle controlled by Vitol B.V. through Varas Holding S.p.A. purchased the 35.019% of Saras S.p.A. share capital. On that date, in fact, there was the completion of the acquisition, pursuant to the sale and purchase agreement signed on 11 February 2024 (the "**Sale and Purchase Agreement**"), by Varas S.p.A., of the entire shareholding held by Massimo Moratti S.a.p.A., Angel Capital Management S.p.A. and Stella Holding S.p.A. (collectively the "Moratti Family") in the Company equal to 35.019% of the share capital, at a price of €1.60 per share, i.e. the €1.75 per share price pursuant to the Sale and Purchase Agreement as adjusted downward following the payment of the dividend (the "Acquisition").

The Acquisition was communicated via a specific press release, and the full content can be examined on the Saras website (to the link: [https://www.saras.it/sites/default/files/uploads/pressreleases/pr-18\\_06\\_24\\_0.pdf](https://www.saras.it/sites/default/files/uploads/pressreleases/pr-18_06_24_0.pdf))

The Acquisition triggered a mandatory tender offer (the "**MTO**") for the outstanding share capital of Saras, at the same price per share (i.e., €1.60/share).

As indicated in the press release published by Saras on behalf of Varas on June 19, 2024, the purpose of the MTO is for Varas to acquire the Saras' entire share capital and, consequently, to achieve the delisting from the Euronext organized and managed by Borsa Italiana S.p.A. of the shares, Should the requirements for the delisting not occur, Varas reserves the right to achieve the delisting by means of a merger by incorporation of Saras into Varas.

With reference to the Acquisition authorization process after the signing date of the Sale and Purchase Agreement (i.e. 11 February 2024):

- ▶ on 23 April 2024, the Presidency of the Council of Ministers issued a decree, pursuant to Law Decree No. 21/2012, as subsequently amended and supplemented, including the further clarifications introduced by Prime Ministerial Decree No. 179 of 18 December 2020, regarding the exercise of special powers (so-called "golden power") containing certain prescriptions (none of which were an obstacle to the completion of the Acquisition). The full content of the press release is available on the Saras website (to the link: [https://www.saras.it/sites/default/files/uploads/pressreleases/press-release-issued-at-the-request-and-on-behalf-of-vitol-b.v.\\_0.pdf](https://www.saras.it/sites/default/files/uploads/pressreleases/press-release-issued-at-the-request-and-on-behalf-of-vitol-b.v._0.pdf))
- ▶ on 6 June 2024, the European Commission issued the authorisation for the Acquisition, without the imposition of any conditions, pursuant to the EU Competition Regulation The full content of the press release is available on the Saras website (to the link [https://www.saras.it/sites/default/files/uploads/pressreleases/press-release-issued-at-the-request-and-on-behalf-of-vitol-b.v.\\_1.pdf](https://www.saras.it/sites/default/files/uploads/pressreleases/press-release-issued-at-the-request-and-on-behalf-of-vitol-b.v._1.pdf))
- ▶ on 12 June 2024, the European Commission issued the authorisation for the Acquisition, without the imposition of any conditions, pursuant to the European Union's foreign subsidies regulation. The full content of the press release is available on the Saras website ([https://www.saras.it/sites/default/files/uploads/pressreleases/press-release-issued-at-the-request-and-on-behalf-of-vitol-b.v.\\_2.pdf](https://www.saras.it/sites/default/files/uploads/pressreleases/press-release-issued-at-the-request-and-on-behalf-of-vitol-b.v._2.pdf))
- ▶ Following the fulfilment of all conditions precedent, on 18 June 2024 Vitol B.V., through its subsidiary Varas S.p.A., completed the purchase of the entire shareholding held by Massimo Moratti S.a.p.A., Angel Capital Management S.p.A. and Stella Holding S.p.A. (collectively the "Moratti Family") in the Company equal to 35.019% of the share capital (the "Transaction"), in execution of the sale and purchase agreement (the "Sale and Purchase Agreement") signed and communicated to the market on 11 February 2024. The full content of the press release is available on the Saras website (to the link [https://www.saras.it/sites/default/files/uploads/pressreleases/pr-18\\_06\\_24\\_0.pdf](https://www.saras.it/sites/default/files/uploads/pressreleases/pr-18_06_24_0.pdf))
- ▶ On 19 June 2024, Varas S.p.A. filed with the Commissione Nazionale per le Società e la Borsa (Consob) the Offer Document relating to the mandatory public tender offer for the ordinary shares of Saras S.p.A. The full content of the press release is available on the Saras website (to the link [https://www.saras.it/sites/default/files/uploads/pressreleases/communication-published-by-saras-s.p.a.-on-behalf-of-varas-s.p.a.\\_0.pdf](https://www.saras.it/sites/default/files/uploads/pressreleases/communication-published-by-saras-s.p.a.-on-behalf-of-varas-s.p.a._0.pdf))

As of today, Vitol B.V. holds a stake in Saras S.p.A. equal to 46.014% of the share capital.

## GAAP and Non-GAAP measure (alternative performance indicators)

To present the Group operating performance in a way that best reflects the most recent market trends, in line with generally accepted practices in the oil sector, the operating profit and comparable net income, non-accounting values processed in this Report on Operations have been stated with the measurement of stocks using the FIFO method, but excluding unrealized gains and losses on stocks resulting from scenario changes calculated by measuring opening stocks (including the related derivatives) at the same unit values as closing stocks (when quantities increase in the period), and closing stocks at the same unit values as opening stocks (when quantities decrease in the period). Items that are non-recurring in terms of their nature, materiality and frequency have been excluded from both the operating profit and the comparable net income.

The results thus calculated, which are referred to as "comparable", are not indicators defined by the International Financial Reporting Standards (IAS/IFRS) and are unaudited. Non-GAAP financial measures should be read together with information determined by applying the International Accounting Standards (IAS/IFRS) and do not stand in for them.

## Key Group financial and operating results

EUR million	H1/24	H1 2023	Change %	Q2/24	Q2/23	Change %
REVENUES	5,908	5,417	9%	2,877	1,951	47%
Reported EBITDA	275.2	282.0	-2%	97.7	35.6	174%
<b>Comparable EBITDA</b>	<b>288.5</b>	<b>312.4</b>	<b>-8%</b>	<b>90.5</b>	<b>27.1</b>	<b>233%</b>
Reported EBIT	175.9	187.6	-6%	47.8	(12.4)	-485%
<b>Comparable EBIT</b>	<b>189.2</b>	<b>218.0</b>	<b>-13%</b>	<b>40.6</b>	<b>(20.9)</b>	<b>-294%</b>
NET RESULT reported	108.7	122.3	-11%	31.3	(16.8)	-286%
<b>Comparable NET RESULT</b>	<b>126.6</b>	<b>139.7</b>	<b>-9%</b>	<b>29.7</b>	<b>(22.3)</b>	<b>-233%</b>

EUR million	H1/24	H1 2023	Change %	Q2/24	Q2/23	Change %
CAPEX	79.9	143.2	-44%	48.9	102.0	-52%

EUR million	H1/24	H1 2023	FY 2023
NET FINANCIAL POSITION ANTE IFRS 16	10.7	73.5	202.7
NET FINANCIAL POSITION POST IFRS 16	(21.9)	36.1	166.8

## Comments on the Group's results for the first half of 2024

In the first half of 2024, Group revenues amounted to EUR 5,908 million, compared to EUR 5,417 million reported in the same period of the previous year. The increase is due to both the production volumes and the changed scenario conditions between the two periods. As regards industrial production, it should be noted that the main production variables are higher than the values recorded in 2023. Specifically, refining runs in the first half of 2024 amounted to 47.3 million barrels (vs 44.4 million barrels in H1'23), non-renewable electricity production amounted to 2,104 GWh (vs 1,608 GWh in H1'23). From a scenario perspective, the positive impacts of the increase in the prices of the main oil products outstripped the drop in the sale price of electricity (regulated under the Essentiality Regime). Specifically, in the first half of 2024, the average diesel price was 793 \$/ton (vs 772 \$/ton in H1'23), the average gasoline price was 849 \$/ton (vs 832 \$/ton in H1'23), the National Single Price for the sale of electricity (PUN) was 93 €/MWh (vs 136 €/MWh in H1'23) and the €/€ exchange rate was 1.08 (in line with H1'23).



**The Group reported EBITDA amounted to EUR 275.2 million**, down from EUR 282.0 million in the first half of 2023. The broadly in line result comes from the combination of higher production volumes and a less favourable scenario conditions characterized by a softening in the diesel and gasoline cracks, an increase in the price of Brent and a reduction in discounts of heavy crudes with a high sulphur content. Planning and production performances recorded a higher performance compared to the same period of the previous year. On the other hand, supply&trading performances were weaker compared to the exceptional levels of the first half of 2023, although still benefiting from a favorable market context across all sales channels. As regards the price dynamics of commodities on oil inventories (net of the related hedging derivatives), they resulted in a loss on inventories net of hedging derivatives equal to EUR 24.8 million compared to a loss of EUR 24.0 million recorded in the same period of 2023. Lastly, it should be noted that the reported EBITDA in H1'24 benefits from the recalculation of the "Avoided Fuel Cost" component for the period 2010-2012 under the CIP6/92 provision for EUR 44.1 million.

**The Group reported Net Result amounted to EUR 108.7 million**, compared to EUR 122.3 million in the first half of 2023. In addition to what has already been highlighted in terms of EBITDA, this performance is also due to the overall negative impact of financial income and charges due to the increase in interest rates and the negative effect of the exchange rate, only partially offset by lower taxes due to the reduction in taxable income.

**The Group comparable EBITDA stood at EUR 288.5 million**, down from EUR 312.4 million in the first half of 2023. This result, compared to the reported EBITDA, does not include the above-mentioned negative effect of the scenario on oil inventories (net of the related hedging derivatives) between the beginning and the end of the period, and includes the impact of the forex derivatives reclassified in the operating result. The decrease in the result compared to the first half of 2023 is attributable to the lower contribution generated by the "Industrial & Marketing" segment, partly offset by a slight rise in the contribution of the "Renewables" segment; both deviations will be better described in the "Segment Review" section.

**The Group comparable Net Result amounted to EUR 126.6 million**, lower compared to the EUR 139.7 million achieved in the first half of 2023, due to the same factors described for the reported Net Result, net of the negative effect of the scenario on oil inventories (net of the related hedging derivatives) between the beginning and the end of the period.

**Investments in the first half of 2024 stood at EUR 79.9 million** lower than in the first half of 2023 (EUR 143.2 million); this decrease is attributable to both the Industrial & Marketing and Renewables segments; the former compares with significant works related to the multi-year turnaround of the Integrated Gasification Combined Cycle plant (IGCC) in 2023, the latter with the bulk of expenses being paid for the Helianto solar plant in 2023 .

## Comments on the Group's results for the second quarter of 2024

**In the second quarter of 2024, Group revenues amounted to EUR 2,877 million**, compared to EUR 1.951 million reported in the same period of the previous year. The increase is due to both the production volumes and the changed scenario conditions between the two periods. As regards industrial production, it should be noted that the main production variables are higher than the values recorded in 2023, which were affected by a heavy maintenance plan. Specifically, refining runs in the second quarter of 2024 amounted to 22.2 million barrels (vs 19.5 million barrels in Q2'23), non-renewable electricity production amounted to 990 GWh (vs 519 GWh in Q2'23). From a scenario perspective, the positive impacts of the increase in the prices of the main oil products outstripped the drop in the sale price of electricity (regulated under the Essentiality Regime). Specifically, in the second quarter of 2024, the average diesel price was 769 \$/ton (vs 710 \$/ton in Q2'23), the average gasoline price was 866 \$/ton (vs 825 \$/ton in Q2'23), the National Single Price for the sale of electricity (PUN) was 95 €/MWh (vs 115 €/MWh in Q2'23) and the €/€ exchange rate was 1.08 (vs the €/€ exchange rate of 1.09 in Q2'23).

**The Group reported EBITDA amounted to EUR 97.7 million**, up from EUR 35.6 million in the second quarter of 2023. The higher result comes from the combination of higher production volumes and a more favourable scenario conditions characterized by an increase in the diesel crack and a stronger US dollar compensated by a decrease in gasoline crack, an increase in Brent price and a reduction in discounts of heavy crudes with a high sulphur content. Furthermore, it compares to the second quarter of 2023 penalized by the impact of external factors. Planning and production performances recorded a higher performance compared to the same period of the previous year. Supply&trading performances were also better compared to the second quarter of 2023 thanks to a higher result in the hedging of inventories. As regards the price dynamics of commodities on oil inventories (net of the related hedging derivatives), they benefited from an increase of EUR 2.3 million compared to a benefit of EUR 7.8 million recorded in the same period of 2023.

**The Group reported Net Result amounted to EUR 31.3 million**, compared to a loss of EUR 16.8 million in the second quarter of 2023. In addition to what has already been highlighted in terms of EBITDA, this performance is mainly due to the overall negative impact of financial income and charges due to the increase in interest rates and the negative effect of the exchange rate.

**The Group comparable EBITDA stood at EUR 90.5 million**, up from EUR 27.1 million in the second quarter of 2023. This result, compared to the reported EBITDA, does not include the above-mentioned positive effect of the scenario on oil inventories (net of the related hedging derivatives) between the beginning and the end of the period, and includes the impact of the forex derivatives reclassified in the operating result. The increase in the result compared to the second quarter of 2023 is attributable to the higher contribution generated by both the "Industrial & Marketing" segment and the "Renewables" segment; both deviations will be better described in the "Segment Review" section.

**The Group comparable Net Result amounted to EUR 29.7 million**, higher compared to the loss of EUR 22.3 million achieved in the second quarter of 2023, due to the same factors described for the reported Net Result, net of the positive effect of the scenario on oil inventories (net of the related hedging derivatives) between the beginning and the end of the period.

**Investments in the second quarter of 2024 stood at EUR 48.9 million** lower than in the second quarter of 2023 (EUR 102.0 million); this decrease is attributable to both the Industrial & Marketing and Renewables segments, the former compares with a significant multi-year turnaround of the Integrated Gasification Combined Cycle plant (IGCC) in 2023, the latter with the bulk of expenses being paid for the Helianto solar plant in 2023.

## Calculation of the Group comparable EBITDA

EUR million	H1/24	H1 2023	Q2/24	Q2/23
<b>Reported EBITDA</b>	<b>275.2</b>	<b>282.0</b>	<b>97.7</b>	<b>35.6</b>
Gain / (Losses) on Inventories and on inventories hedging derivatives	24.8	24.0	(2.3)	(7.8)
Derivatives FOREX	(11.4)	6.4	(5.0)	(0.7)
Non-recurring items	-	-	-	-
<b>Comparable EBITDA</b>	<b>288.5</b>	<b>312.4</b>	<b>90.5</b>	<b>27.1</b>

## Calculation of the Group comparable Net Result

EUR million	H1/24	H1 2023	Q2/24	Q2/23
<b>Reported NET RESULT</b>	<b>108.7</b>	<b>122.3</b>	<b>31.3</b>	<b>(16.8)</b>
Gain & (Losses) on Inventories and on inventories hedging derivatives net of taxes	17.9	17.4	(1.6)	(5.5)
Non-recurring items net of taxes	-	-	-	-
<b>Comparable NET RESULT</b>	<b>126.6</b>	<b>139.7</b>	<b>29.7</b>	<b>(22.3)</b>

# Net Financial Position

The Net Financial Position as of 30th June 2024, before the effects of applying IFRS 16, was positive by EUR 10.7 million, compared to the positive position of EUR 202.7 million reported on 31st December 2023. In addition, the Net Financial Position as of 30th June 2024, post-IFRS16, was negative at EUR (21.9) million, compared to the positive Net Financial Position at EUR 166.8 million on 31st December 2023.

A cash absorption of EUR 188.7 million was recorded in the first half of 2024. Operations generated cash for EUR 208,0 million, the change in working capital absorbed cash for EUR 138.7 million, investments absorbed EUR 79.9 million; dividends have been paid for 142.2 million and lastly a negative component of EUR 35.9 million related to the difference between taxes paid and taxes accrued in the period. The change in working capital is mainly due to an increase in the level of inventories.

At the end of the quarter, the medium/long-term bank loans were reclassified in the short-term loans since as of 30<sup>th</sup> June it was not yet received from the lending banks the requested waiver related to the change of control event.

However, the issuance of such waiver is currently being finalized, as reported in the paragraph “Main events after the end of the first six months of 2024” and in the “Notes to the Consolidate Financial Statements”.

For further details, see the Notes to the Financial Statements.

<i>EUR million</i>	30-Jun-24	31-Dec-23
Medium/long-term bank loans	-	(313.6)
Other medium/long-term financial liabilities	(3.0)	(3.5)
Other medium/long-term financial assets	3.2	3.8
<b>Medium-long-term net financial position</b>	<b>0.2</b>	<b>(313.3)</b>
Short term loans	(341.7)	(88.4)
Banks overdrafts	(30.3)	(2.8)
Other short term financial liabilities	(49.9)	(37.0)
Fair value on derivatives and realized net differentials	3.2	53.6
Other financial assets	106.0	48.0
Cash and Cash Equivalents	323.1	542.7
<b>Short-term net financial position</b>	<b>10.5</b>	<b>515.9</b>
<b>Total net financial position ante lease liabilities ex IFRS 16</b>	<b>10.7</b>	<b>202.7</b>
Financial lease liabilities ex IFRS 16	(32.6)	(35.9)
<b>Total net financial position post lease liabilities ex IFRS 16</b>	<b>(21.9)</b>	<b>166.8</b>

# Reference Market

## Oil market

Below is a brief analysis of crude oil price trends, crack spreads of the main refined products, and the reference refining margin (EMC Benchmark) with regard to the European market, which is the main context in which the Saras Group Refining segment operates.

	Q1/24	Q2/24	H1/24	Q1/23	Q2/23	H1/23
<b>Crude oil price and differential (\$/bbl)</b>						
Brent Dated	83.2	84.9	84.1	81.3	78.4	79.8
Diff. Basrah Medium (CIF Med) vs. Brent Dtd	-2.5	-2.8	-2.6	-7.1	-3.7	-5.4
Diff. Azeri Light (CIF Med) vs. Brent Dtd	+6.4	+3.3	+4.8	+6.2	+4.6	+5.4
<b>Crack spreads for refined oil products (\$/bbl)</b>						
ULSD crack spread	26.3	18.2	22.3	30.6	16.8	23.7
Gasoline crack spread	16.4	18.8	17.6	19.2	20.5	19.8
<b>Reference margin (\$/bbl)</b>						
EMC Reference margin	8.2	4.5	6.3	10.1	4.2	7.1

Source "Platts".

### **Crude oil prices (Brent Dtd, Basrah Medium, Azeri)**

**In the first half of 2024, Brent Dtd recorded an average price of 84.1 \$/bbl** (compared to an average price of 79.8 \$/bbl in the same period of 2023). Analyzing the trend by quarter, we note the following:

**In the first quarter of 2024, Brent Dtd recorded an average price of 83.2 \$/bbl** (compared to an average price of 81.3 \$/bl in the same period of 2023). This trend was supported by a more robust global oil demand than expected, with a growth rate of +1.7 Mbb/d, thanks to the solid performance of the US economy and the growth in consumption of bunkers for marine engines, influenced by the interruption of traffic along the Red Sea. In addition, on the supply side, the first quarter saw a decline of 870 kbb/d due to the extension of OPEC+ cuts and productive interruptions deriving from the difficult weather conditions recorded in North America.

Prices therefore exhibited an increasing trend in the period, going from around 80 \$/bbl in January to over 85 \$/bbl in March, and the forward curve assumed a marked *backwardation* structure.

**In the second quarter, Brent Dtd recorded an average price of 84.9 \$/bbl** (compared to an average price of 78.4 \$/bbl in the same period of 2023). The continuation of the geopolitical tensions in the Middle East and the problems of crossing the Red Sea contributed to keeping the market in backwardation, with spot prices often exceeding 90 \$/bbl at the beginning of the quarter. However, prices fell in May due to the increase in inventory in the Atlantic basin and fell further after the OPEC+ meeting of 2nd June, during which plans were announced to gradually reduce voluntary production cuts starting from Q4/24.

With regard to "sour" crudes (i.e. those with a high sulfur content), **in the first half of the year, the Basrah Medium CIF Med recorded an average discount compared to Brent Dated of -2.6 \$/bbl** (vs -5.4 \$/bbl in the same period of 2023).

The difference between the two periods is explained by a reduction in the significant discounts for this type of crude oil which characterized 2022 and the first quarter of 2023, following the outbreak of the Russian-Ukrainian conflict. As a matter of fact, this event caused a reduction in demand for Middle Eastern crude oils, as traditional Asian buyers preferred to purchase Russian crude oil, heavily discounted as a result of the embargo imposed by Western countries. Subsequently, starting from the second quarter of 2023, the prices of Basrah Medium recovered due to the OPEC+ cuts, reaching a slight premium compared to Brent at the end of 2023.

Analyzing trends on a quarterly basis, **in the first quarter of 2024, the differential of Basrah Medium CIF Med vs. Brent Dated widened again at -2.5 \$/bbl** (vs. -7.1 \$/bbl in the same period 2023) as the Middle East conflict caused problems in crossing the Red Sea, and therefore made it more difficult to sell Basrah Medium in the Mediterranean market.

In the second quarter, the discount of Basrah Medium CIF Med compared to Brent Dated remained substantially in line with the previous quarter, and achieved an average equal to **-2.8 \$/bbl** (vs. -3.7 \$/bbl in the same period of 2023), mainly due to a slight reduction in freight rates from AG to MED.

With regard to "sweet" crudes (low sulfur content), **the premium of Azeri Light CIF Med compared to Brent Dated in the first half of 2024 averaged +4.8 \$/bbl** (compared to the average of +5.4 \$/bbl in the first half of 2023).

**In particular, analyzing the trends on a quarterly basis, we notice that in the first three months of 2024, the premium of Azeri Light CIF Med over Brent Dated averaged +6.4 \$/bbl** (+6.2 \$/bbl in the same period of 2023). Although substantially in line with the prices of the same period of 2023, the premium saw an increase compared to the end of the previous year (+5.8 \$/bbl in Q4\_23) in a context of robust cracks for middle distillates and a recovery for naphtha. The CIF price was also affected by the rally in cross-Med freight rates.

**In the second quarter, the premium of Azeri Light CIF Med compared to Brent Dated averaged + 3.3 \$/bbl** (+ 4.6 \$/bbl in the same period of 2023), in a context of a "long" market for low sulfur crude oils, due to the weakening of middle distillates cracks, as well as the prospects of greater supplies thanks to the new oil platform of Azeri Central East (ACE) in the Caspian Sea.

#### **"Crack spreads" of the main refined products (i.e. the difference between the value of the product and the cost of crude oil; FOB Med values vs Brent Dtd)**

**The gasoline crack in the first half year of 2024 recorded an average crack of 17.6 \$/bbl** (compared to an average crack of 19.8 \$/bbl in the first half of 2023).

**On a quarterly basis, in the first three months of 2024, the gasoline crack recorded an average of 16.4 \$/bbl, slightly lower than the same period of the previous year** (19.2 \$/bbl), but still higher than historical averages. In particular, in the first quarter of 2024, the gasoline crack recorded an increase of +60% compared to the last quarter of 2023, thanks to resilient demand in a context of reduced supplies from the United States, as a result of the extreme cold weather in mid-January, which temporarily interrupted refinery runs of about 1.5 Mbb/d in North America.

**In the second quarter of 2024, the average crack of gasoline was equal to 18.8 \$/bbl** (compared to an average crack of 20.5 \$/bbl in the second quarter of 2023), up by 14% compared to the previous quarter, due to the effect of the change in specification (from winter to summer, more expensive), in preparation of the driving season, the reduction of production in the refineries of the US Gulf Coast, and the low level of inventory at the beginning of the period (due to the reduced supplies in Q1 caused by bad weather in North America).

**The diesel crack (ULSD) averaged 22.3 \$/bbl in the first six months of 2024**, compared to an average of 23.7 \$/bbl in the same period of 2023.

**In particular, it averaged 26.3 \$/bbl in the first three months of 2024** compared to the average of 30.6 \$/bbl in the same period of 2023. Also in this case, the crack showed significant strength compared to historical averages and, despite some volatility, it remained in line with the last quarter of 2023. The prices of diesel in Q1\_24 was affected by the same supply limitations from the United States already mentioned with reference to gasoline, as well as the blockage of flows through the Red Sea, which also concerned European imports of middle distillates from the Middle East, increasing their logistics costs and extending delivery time from Asian refineries. Lastly, the extension of OPEC+ production cuts remained a limiting factor in the availability of crude oil rich in residues, used in the conversion units for diesel production.

**In the second quarter of 2024, the diesel crack averaged 18.2 \$/bbl**, vs. 16.8 \$/bbl in the second quarter of 2023. This large decrease (-31%) compared to the first quarter of 2024, is mainly attributable to an increase in global supply, which grew by approximately 100kbb/d between April and June, following the return to operations of numerous refineries after the usual spring maintenance. The greater supply came at a time of weaker demand in Europe, due to a combination of factors: reduced industrial activity, milder weather conditions than seasonal averages, and structural changes in the car fleet, with a greater sale of electric vehicles and hybrids with gasoline engines, at the expense of diesel-powered cars.

**In the first six months of 2024, the VLSFO crack recorded an average discount of -1.9 \$/bbl** (vs. -1.3 \$/bbl in the same period of 2023).

**In particular, in the first three months of 2024 the crack of the VLSFO was on average equal to -1.5 \$/bbl** (vs. -0.2 \$/bbl in the same period of 2023), increasing compared to the last quarter of 2023 (-2.2 \$/bbl): the blockage of trade flows in the Red Sea, and the consequent need for longer routes to circumnavigate the African continent, actually boosted VLSFO consumption. Moreover, exports from some countries in the Middle and Far East also decreased during the quarter, where VLSFO was used in the domestic market for electricity generation, and this contributed to supporting the crack.

**In the second quarter of 2024, the VLSFO crack recorded an average discount of -2.3 \$/bbl** (-2.4 \$/bbl in the second quarter of 2023). The decline on a sequential basis is attributable to the lower cost of freight for the main types of tankers, to the reduction of the prices of middle distillates and VGO, as well as the continued Russian production and the increase in Kuwaiti exports, which kept the supply of low sulfur residues high.

The crack of high sulfur content fuel oil (HSFO) in the first half of 2024 averaged -13.2 \$/bbl, (vs. -19.4 \$/bbl in the first half of 2023).

Analyzing the trend on a quarterly basis, **the crack of high sulfur content fuel oil (HSFO) averaged -14.7 \$/bbl in the first quarter of 2024** (vs. -25.3 \$/bbl in the first quarter of 2023), continuing in January the recovery trend observed in the last few months of 2023, for the effect of OPEC+ cuts which, as is known, mainly impact crude oil with a high sulfur content. On the other hand, Canadian heavy crude oil production increased between February and March, partially offsetting this effect.

**In the second quarter, the HSFO crack recorded an average of -11.6 \$/bbl**, (vs. -13.5 \$/bbl in the second quarter of 2023), showing a further strengthening compared to the previous quarter (+21%), thanks to the recovery of high sulphur bunker in Asia, and the continuation of crude production cuts by OPEC+.

## Marketing

In Italy, according to data analyzed by Unione Energie per la Mobilità (UNEM) from the "Ministry of the Environment and Energy Security - DGI" source, in the first six months of 2024 sales of petroleum products increased compared to the same period of 2023 (+2.2%). Sales of transport fuels (gasoline + diesel) amounted to 15.7 million tons (+1.9% compared to the same period of 2023) and also 1.9% higher than the pre-pandemic level. In particular, compared to the first six months of 2023, total gasoline showed an increase of 4.5%, with a similar growth in gasoline sold in the retail network (+4.4%); transport diesel showed an increase of 1%, with diesel sold in the retail network instead going into negative territory (-1.1%), while the volumes of the wholesale channel remain positive (+4.8%, equal to 285,000 tons).

In Spain, data by CORES and currently available up to May, show that in the first five months of 2024, motorway fuel consumption generally increased by +4.9% towards the same period in 2023, with significant growth for gasoline (+9.4%) and to a lesser extent also for automotive diesel (+3.7%). This is mainly explained by the trends underway in the Spanish market, where car traffic is generally growing. However, the car fleet is recording an increase in hybrid cars (with gasoline internal combustion engines), while as regards cars with diesel engines, there is a progressive replacement of fossil fuel gasoil with bioproducts (HVO, biodiesel).

## Electricity and CO2

**In the first half of 2024, the PUN recorded an average price of about 93.5 €/MWh** compared to an average of about 136.3 €/MWh in the same period of 2023.

**More specifically, analyzing the quarterly trends, we note that in the first quarter of 2024, the PUN registered an average price of about 92 €/MWh** (vs. 157 €/MWh in the same period of 2023), down by 26% compared to the previous quarter, following the same trend of natural gas prices. The mild winter and uncertain macroeconomic conditions brought natural gas prices on average to 29.2 €/MWh, compared to 40.6 €/MWh recorded in the fourth quarter of 2023.

Afterwards, in the second quarter, **the PUN reported an average price of about 95 €/MWh** (115 €/MWh in the same period of 2023), slightly up compared to the first quarter (+3.4%), reflecting only partially the increase in natural gas prices, which in fact increased by 14%, reaching the average of €33.4/MWh.

Moving on to **EUA quotations of European carbon dioxide permits, in the first six months of 2024 the average price was about 64 €/ton** (vs. approximately 87 €/ton in the first six months of 2023).

**In the first three months of 2024, the average price of the EUA permits was equal to around 60 €/ton** (vs. around 87 €/ton in the first three months of 2023), continuing the downward trend, with an average of around 16% lower than in the previous quarter, due largely to the downturn in macroeconomic conditions.

In the second quarter of 2024, **EUA prices for European carbon dioxide emissions permits had a moderate recovery, recording an average of around €68/ton** (vs. around €87/ton in the second quarter of 2023).

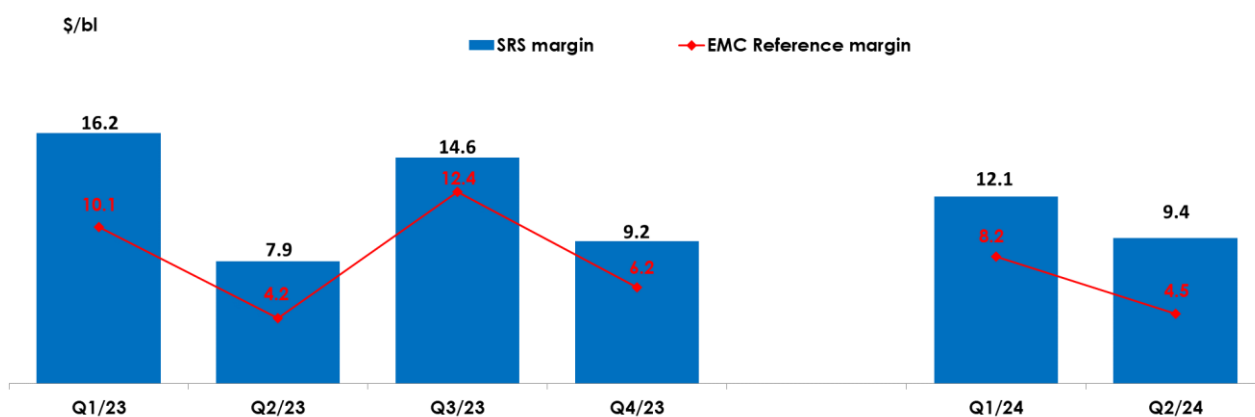
## Saras Industrial & Marketing margins and EMC Reference Margin

As regards the analysis of the profitability of the Industrial & Marketing segment, Saras uses the refining benchmark margin "EMC Reference Margin" as a reference, compared to which the Sarroch industrial site typically achieves a premium thanks to the characteristics of high flexibility and complexity of its plants, as well as its industrial and commercial performance.

In the first half of 2024, the EMC Reference Margin, in light of the market context described in the previous paragraph, stood at an average of 6.3\$/bbl (vs. an average of 7.1\$/bbl in the first half of 2023). The Saras margin was equal to 10.8 \$/bbl (12.6\$/bbl in the same period of the previous year), highlighting a premium of 4.5 \$/bbl (+5.5\$/bbl in the first half of 2023), near the top of the 2024 guidance range which envisages achieving an average annual premium of 3.5÷4.5 \$/bbl.

In particular, as illustrated in the previous quarterly report, the EMC Reference Margin for the first quarter of 2024 stood at an average of 8.2\$/bbl (vs. 10.1\$/bbl in the first quarter of 2023) while the Saras margin amounted to 12.1\$/bbl (vs. 16.2\$/bbl in the same period of the previous year), highlighting a premium of +3.9\$/bbl (+6.1\$/bbl in the first quarter of 2023).

In the second quarter of 2024, the EMC Reference Margin stood at an average of 4.5\$/bbl, slightly higher than the average of 4.2\$/bbl in the second quarter of 2023. The decline compared to Q1'24 is mainly attributable to the decrease of the diesel crack, previously discussed. The Saras margin for the second quarter of 2024 amounted to 9.4 \$/bbl (vs. 7.9\$/bbl in the same period of the previous year). The premium realized by Saras compared to the EMC Reference Margin was therefore equal to +4.9 \$/bbl (+3.7\$/bbl in the second quarter of 2023).



# Segment Review

## Industrial & Marketing

The Sarroch production site, located on the coast south-west of Cagliari, consists of one of the largest refineries in the Mediterranean in terms of production capacity and plant complexity, perfectly integrated with an IGCC (combined cycle gasification) plant. The site is strategically located in the center of the Mediterranean and has a processing capacity of 15 million tons/year, corresponding to about 17% of the total distillation capacity in Italy, and an installed power generation capacity of 575 MW. It should be noted that, with regard to electricity generation activities, following resolution 628/2023 of 29th December 2023, ARERA accepted the request for admission to the cost reimbursement regime for the Sarlux plant, entered by Terna in the list of essential plants for the electricity system for 2024.

<i>EUR million</i>	H1/24	H1 2023	Change %	Q2/24	Q2/23	Change %
Reported EBITDA	262.4	273.0	-4%	92.9	32.6	185%
<b>Comparable EBITDA</b>	<b>275.7</b>	<b>303.4</b>	<b>-9%</b>	<b>85.7</b>	<b>24.1</b>	<b>255%</b>
<i>of which relative to Marketing sales</i>	18.2	26.9	-32%	11.8	12.4	-5%
Reported EBIT	167.5	183.0	-8%	45.2	(13.1)	-445%
<b>Comparable EBIT</b>	<b>180.8</b>	<b>213.4</b>	<b>-15%</b>	<b>38.0</b>	<b>(21.6)</b>	<b>-276%</b>
<b>CAPEX</b>	<b>72.4</b>	<b>119.0</b>	<b>-39%</b>	<b>45.2</b>	<b>79.3</b>	<b>-43%</b>

## Processing, electricity production and margins

		H1/24	H1/23	Change %	Q2/24	Q2/23	Change %
<b>CRUDE RUNS</b>	<i>Tons (thousand)</i>	6,478	6,086	6%	3,046	2,670	14%
	<i>Barrels (million)</i>	47.3	44.4	6%	22.2	19.5	14%
	<i>Bl/day (thousand)</i>	263	247	6%	247	217	14%
<b>COMPLEMENTARY FEEDSTOCK</b>	<i>Tons (thousand)</i>	534	358	49%	331	279	19%
<b>ELECTRICITY PRODUCTION</b>	<i>GWh</i>	2,104	1,608	31%	990	519	91%
<b>TOTAL SALES</b>	<i>Tons (thousand)</i>	1,660	1,605	3%	864	840	3%
<i>of which: in Italy</i>	<i>Tons (thousand)</i>	1,067	1,060	1%	550	556	-1%
<i>of which: in Spain</i>	<i>Tons (thousand)</i>	593	545	9%	314	284	11%
<b>EXCHANGE RATE</b>	<i>EUR/USD</i>	1.08	1.08	0%	1.08	1.09	-1%
<b>EMC Reference Margin</b>	<i>\$/bbl</i>	6.3	7.1	-12%	4.5	4.2	8%
<b>SARAS IND &amp; MKTG MARGIN</b>	<i>\$/bbl</i>	10.8	12.6	-15%	9.4	7.9	19%



## Comments on the results for the first half of 2024

**Crude oil runs in the first half of 2024 were 6.48 million tons** (47.3 million barrels, corresponding to 263 thousand bl/d), higher by 6% in comparison with the first half of 2023.

**Electricity production** was equal to 2,104 GWh, up 31% in comparison with the first half of 2023.

**Comparable EBITDA stood at EUR 275.7 million**, with a Saras Industrial & Marketing margin of +10.8 \$/bl, within which the contribution of the Marketing channel was 0.7 \$/bl. This compares with a comparable EBITDA of EUR 303.4 million and a Saras Industrial & Marketing margin of +12.6 \$/bl (within which the contribution of the Marketing channel was 0.9 \$/bl) in the same half of the previous year.

As regards **market conditions**, the impact of the scenario on margin generation was negative by approximately EUR 76 million. This result is mainly attributable to the softening of the cracks of the major oil products (diesel and gasoline), the increase in the price of Brent and the reduction in the discounts on heavy crudes with high sulfur content.

The recalculation of the "Avoided Fuel Cost" component for the period 2010-2012 under the CIP6/92 provision contributed positively for approximately EUR 44 million.

The overall **operating performance** in the first half of 2024, if compared with the same period of 2023, was higher by approximately EUR 21 million. In particular:

- **Trading & supply activities** (which include the procurement of crudes and complementary raw materials, the sale of refined products, chartering, and the management of inventories, including compulsory stocks) made a lower contribution by for EUR 32 million compared to the same period of the previous year. This result is mainly due to the normalization of sales premiums on the market compared to the exceptional levels achieved in the same period of previous year.
- **Production planning** (consisting of the optimization of the mix of crudes brought in for processing, management of semi-finished products and production of finished products, including those with special formulations) made a greater contribution of approximately EUR 25 million compared to the same period of the previous year, due to better result in the selection of crudes, in particular among light crudes with low sulfur content, and a lesser impact of logistic issues due to bad weather.
- **The performance of production activities** (which takes into account impacts related to maintenance, both planned and unplanned, and higher consumption compared to the technical limits of some utilities such as fuel oil, steam, electricity and fuel gas, as well as reimbursements under the Essentiality Regime) contributed by a EUR 28 million higher result compared to the same period of 2023 thanks to lower impact of the maintenance activities on the availability of the plants.

**Industrial variable costs**, net of the components relating to the Essentiality Regime agreement, were EUR 26 million higher in the first half of 2024 compared to the same period in 2023. Electricity contributed with a cost increase of EUR 37 million mainly due to the expiry of the "Sostegni-Ter" Decree (whose contribution in the same period of 2023 was approximately EUR 32 million) and the increased volumes partly offset by the reduction in the purchase price of electricity. The cost of CO2 contributed with a decrease of EUR 2 million mainly due to lower prices. Lastly, lower costs were recorded for roughly EUR 9 million mainly for demurrage and consumption of catalysts and chemicals.

**Fixed costs** in the first half of 2024 decreased by approximately EUR 18 million compared to the same period of the previous year. This variance is mainly due to lower costs for maintenance and other operational costs, with a lighter maintenance plan compared to the same period of last year, and to lower general costs.

**The contribution of the Marketing channel to the comparable EBITDA amounted to EUR 18.2 million**, compared with EUR 26.9 million recorded in 2023. This change is mainly due to the decrease in premiums on sales in Italy from the very high levels experienced in 2023 and to the rise in fixed costs in Spain due to the increase of the local energy efficiency tax. Note that the contribution of this channel should be considered together with the Industrial one due to the close coordination between technical and commercial expertise, on which the Group business model is based.

## Comments on the results for the second quarter of 2024

**Crude oil runs in the second quarter of 2024 were 3.05 million tons** (22.2 million barrels, corresponding to 247 thousand bl/d), higher by 14% in comparison with the second quarter of 2023.

**Electricity production** was equal to 990 GWh, up 91% in comparison with the second quarter of 2023, which was affected by the multi-year turnaround of the IGCC plant .

**Comparable EBITDA stood at EUR 85.7 million**, with a Saras Industrial & Marketing margin of +9.4 \$/bl, within which the contribution of the Marketing channel was 0.9 \$/bl. This compares with a comparable EBITDA of EUR 24.1 million and a Saras Industrial & Marketing margin of +7.9 \$/bl (within which the contribution of the Marketing channel was 0.9 \$/bl) in the same quarter of the previous year.

As regards **market conditions**, the impact of the scenario on margin generation was positive by approximately EUR 16 million. This result is mainly attributable to an increase in the diesel crack and to a stronger US dollar compensated by a decrease in gasoline crack, an increase in brent price and a reduction in discounts of heavy crudes with a high sulfur content. Furthermore it compares to the second quarter of 2023 penalized by the impact of external factors.

The overall **operating performance** in the second quarter of 2024, if compared with the same period of 2023, was higher by approximately EUR 50 million. In particular:

- **Trading & supply activities** (which include the procurement of crudes and complementary raw materials, the sale of refined products, chartering, and the management of inventories, including compulsory stocks) made a higher contribution by EUR 5 million compared to the same period of the previous year. This result is mainly due to a higher result in the hedging of inventories and in the sale of compulsory stock tickets.
- **Production planning** (consisting of the optimization of the mix of crudes brought in for processing, management of semi-finished products and production of finished products, including those with special formulations) made a greater contribution of approximately EUR 18 million compared to the same period of the previous year, due to better result in the selection of crudes, in particular among light crudes with low sulfur content and a lesser impact of logistic issues due to bad weather.
- **The performance of production activities** (which takes into account impacts related to maintenance, both planned and unplanned, and higher consumption compared to the technical limits of some utilities such as fuel oil, steam, electricity and fuel gas, as well as reimbursements under the Essentiality Regime) contributed by a EUR 27 million higher result compared to the same period of 2023 thanks to lower impact of the maintenance activities on the availability of the plants.

**Industrial variable costs**, net of the components relating to the Essentiality Regime agreement, were EUR 9 million higher in the second quarter of 2024 compared to the same period in 2023. Electricity contributed with a cost increase of EUR 14 million due to the expiry of the "Sostegni-Ter" Decree (whose contribution in the same period of 2023 was approximately EUR 7 million), and the increased volumes partly offset by the reduction in the purchase price of electricity. The cost of CO2 contributed with a decrease of EUR 6 million mainly due to lower prices.

**Fixed costs** in the second quarter of 2024 decreased by approximately EUR 5 million compared to the same period of the previous year. This variance is mainly due to lower costs for maintenance and other operational costs, with a lighter maintenance plan compared to the same period of last year, only partially compensated by higher personnel costs.

**The contribution of the Marketing channel to the comparable EBITDA amounted to EUR 11.8 million**, in line with the result recorded in 2023. Note that the contribution of this channel should be considered together with the Industrial one due to the close coordination between technical and commercial expertise, on which the Group business model is based.

## Oil slate and refined products yield

The mix of crudes that the Sarroch refinery processed in the first half of 2024 had an average density of 33.2 API, which is aligned with the average density of the crudes processed in H1'23.

In the first half of 2024 the share of heavy crudes ("heavy sour/sweet") slightly increased at the expense of light crudes with low sulfur content ("light extra sweet") due to the different maintenance activities between the periods.

In the second quarter of 2024 the share of heavy and sour crudes ("heavy sour/sweet" and "medium sour") increased compared to the same period of 2023 which was characterized by the multi-year turnaround of the IGCC plant and sulfur treatment units, on the other hand the share of the light sweet crudes ("light sweet") increased at the expense of the light extra sweet ("light extra sweet") for commercial opportunities.

		H1/24	H1/23	Q2/24	Q2/23
Light extra sweet		42%	46%	41%	52%
Light sweet		14%	13%	21%	13%
Medium sweet/extra sweet		0%	0%	0%	0%
Medium sour		2%	1%	4%	0%
Heavy sour/sweet		42%	40%	35%	36%
Average crude gravity	°API	33.2	33.1	34.0	34.3

As concerns the refined products yield, in the first half of 2024 the refinery was oriented towards maximizing the highest value products, such as gasoline and diesel, with a yield of these two classes close to 75% of the total production. In the first half of 2023, the percentage yields of gasoline and middle distillates was lower due to the maintenance plan that affected the production set-ups.

		H1/24	H1/23	Q2/24	Q2/23
LPG	Tons (thousand)	137	150	62	75
	yield (%)	2.0%	2.3%	1.8%	2.6%
NAPHTHA	Tons (thousand)	177	307	76	109
	yield (%)	2.5%	4.8%	2.3%	3.7%
GASOLINE	Tons (thousand)	1,706	1,480	869	779
	yield (%)	24.4%	23.0%	25.7%	26.4%
MIDDLE DISTILLATES	Tons (thousand)	3,503	2,996	1,664	1,414
	yield (%)	49.9%	46.5%	49.3%	48.0%
VERY LOW SULPHUR FUEL OIL	Tons (thousand)	388	466	154	257
	yield (%)	5.5%	7.2%	4.6%	8.7%
OTHERS	Tons (thousand)	736	664	374	128
	yield (%)	10.5%	10.3%	11.1%	4.3%

Note: Balance to 100% of the production is "Consumption and Losses" related to refining activities.

## Renewables

The Saras Group is active in the production and sale of electricity from renewable sources. The Company operates several plants with a total installed wind power capacity of 171 MW. As of the 30<sup>th</sup> June 2024 a photovoltaic plant with an installed power capacity of 79 MW, was undergoing the final testing phase and is fully operational since July. The total installed capacity therefore amounts to 250 MW. The Group development objectives envisage an increase in installed capacity. In addition, it should be noted that in the first few months of 2024 the "VIA"(Evaluation of Environmental Impact) was obtained for an additional wind farm of approximately 25 MW ("Abbila", in the Ulassai and Perdasdefogu area).

EUR million	H1/24	H1 2023	Change %	Q2/24	Q2/23	Change %
Reported EBITDA	12.8	9.0	42%	4.8	3.0	60%
<b>Comparable EBITDA</b>	<b>12.8</b>	<b>9.0</b>	<b>42%</b>	<b>4.8</b>	<b>3.0</b>	<b>60%</b>
Reported EBIT	8.4	4.6	83%	2.6	0.7	271%
<b>Comparable EBIT</b>	<b>8.4</b>	<b>4.6</b>	<b>83%</b>	<b>2.6</b>	<b>0.7</b>	<b>271%</b>
<b>CAPEX</b>	<b>7.4</b>	<b>24.1</b>	<b>-69%</b>	<b>3.7</b>	<b>22.8</b>	<b>-84%</b>

## Other information

		H1/24	H1/23	Change %	Q2/24	Q2/23	Change %
<b>ELECTRICITY PRODUCTION</b>	GWh	178.3	135.1	32%	75.3	53.8	40%
<b>POWER TARIFF</b>	EUR/MWh	83.0	93.1	-11%	80.6	87.5	-8%
<b>INCENTIVE TARIFF</b>	EUR/MWh	42.0	0.0	n.a	42.0	0.0	n.a

## Comments on the results for the first half of 2024

**In the first half of 2024, the Renewables segment comparable EBITDA amounted to EUR 12.8 million, compared to EUR 9.0 million** in the first half of 2023. The increase in EBITDA is related to , higher electricity production partly offset by the effect from a lower electricity tariff. It should be noted that in 2023 the price limits envisaged by the "Sostegni" Decree had generated a reduction in EBITDA of roughly EUR 4.9 million.

Electricity production amounted to 178.3 GWh (vs 135.1 GWh in H1'23). The increase in production is mainly due to stronger wind conditions and lower impact by maintenance activities; limitations on production requested by Terna amounted to -5GWh, in line with same period of last year. Besides that, the start of operations of the Helianto solar plant on 21st June 2024 contributed with further 2 GWh.

The reduction in the tariff is due to the lower power prices recorded between the two periods. In the first half of 2024, an incentive tariff of 42 €/MWh was applied on approximately 13% of the wind production; it should be noted that in 2023 the incentive tariff was not applied.

## Comments on the results for the second quarter of 2024

**In the second quarter of 2024, the Renewables segment comparable EBITDA amounted to EUR 4.8 million, compared to EUR 3.0 million** in the second quarter of 2023. The increase in EBITDA in related to higher electricity production, partly offset by the effect from a lower electricity tariff. It should be noted that in 2023 the price limits envisaged by the "Sostegni" Decree had generated a reduction in EBITDA of roughly EUR 1.6 million.

Electricity production amounted to 75.3 GWh (vs 53.8 GWh in Q2'23). The increase in electricity production is mainly due to stronger wind conditions; besides that, the start of operations of the Helianto solar plant on 21<sup>st</sup> June 2024 contributed with further 2 GWh.

The reduction in the tariff is due to the lower power prices recorded between the two periods. In the second quarter of 2024, an incentive tariff of 42 €/MWh was applied on approximately 13% of production; it should be noted that in 2023 the incentive tariff was not applied.

## Investments by business segment

<i>EUR million</i>	H1/24	H1 2023	Q2/24	Q2/23
<b>INDUSTRIAL &amp; MARKETING</b>	72.4	119.0	45.2	79.3
<b>RENEWABLES</b>	7.4	24.1	3.7	22.8
<b>Total</b>	<b>79.9</b>	<b>143.2</b>	<b>48.9</b>	<b>102.0</b>

Investments made by the Saras Group in the first half of 2024 amounted to EUR 79.9 million, lower than the EUR 143.2 million in 2023.

For the **Industrial & Marketing segment**, investments in the first half of 2024 amounted to EUR 72.4 million, lower than the EUR 119.0 million in the first half of 2023, mainly due to the significant multi-year turnaround activities on the IGCC plant and the replacement of the mild hydrocracking catalysts carried out in 2023.

Investments in the **Renewables segment** in the first half of 2024 amounted to EUR 7.4 million, lower than the EUR 24.1 million in the first half of 2023. In both years investments are mainly related to the construction works of the Helianto solar plant, with the bulk of expenses being paid in 2023.

# Outlook

In the Oil Market Report of July 2024, published by the International Energy Agency (IEA) the estimates **on global oil demand in 2024 forecast a growth of +1.0 Mbb/d**. This value, lower than previous forecasts, derives from weaker data on the economic trend in the OECD area, as well as from the generalized and growing effect of the numerous interventions aimed at energy efficiency, and from the ever-increasing diffusion of electric vehicles. **In any case, this growth, will make it possible to reach an average demand of 103.1 Mbb/d**, which represents a new historical record. From the point of view of demand distribution, the non-OECD economies will provide the greatest contribution to growth (primarily, India and Brazil, while slower than expected growth was observed in China), while the OECD area will suffer a further slowdown in consumption, already started at the end of 2023.

**From a supply perspective**, 2024 began with a loss of production in North America, primarily as a result of the extreme weather conditions that shut down a number of oil fields. However, North American production resumed its growth at the end of the first quarter. Overall, the IEA **confirms its growth forecasts for global oil at 0.77 Mbb/d for 2024** reaching an average level of 103.0 Mbb/d, therefore able to balance consumption. Such growth will be led mainly by non-OPEC+ countries (mainly the United States, Brazil, Guyana and Canada), from which an overall production increase of +1.5Mbb/d is expected, while the OPEC + production should overall decrease by 0.74Mbb/d on an annual basis, assuming that the production cuts remain in force, and only begin to ease starting from last quarter of 2024.

**Looking at the refining sector, the IEA expects global refinery runs to grow by around 1 Mbb/d in 2024** (reaching 83.4 Mbb/d), with an important contribution from the start-up of new large refineries in non-OECD countries (in the Middle East, Africa and Asia) which will put pressure on refining margins, especially for some obsolete and non-competitive sites in Europe and the USA.

**Looking at crude oil quotations in 2024**, in July these recorded an average of around 88\$/bbl, given the decline in American inventories exceeding analysts' estimates and the persistence of geopolitical tensions in the Middle East. The main independent sector sources expect that Brent dtd prices may remain, also in the second part of the year, at levels in line with the average recorded so far, around approx. 85\$/bbl, although the possibility of periods with volatile trends is not excluded, depending on the macro-economic context and the evolution of geopolitical factors.

**As regards the price differentials of the main types of crude oil**, "*sour*" grades (with high sulfur content) could widen the discount in the last part of the year, depending on an easing of OPEC+Russia production cuts. In the first half of the year, and even more in the initial weeks of the third quarter, the persistence of production cuts is squeezing the discounts for this type of crude oil, consequently reducing the premium on the refining margin obtained from complex refineries with high conversion capacity (including that of the Saras Group). Conversely, "*sweet*" grades (crudes with a low sulfur content) should slightly reduce premiums due to the expected trends for the crack spreads of middle and light distillates, described below.

**Looking at gasoline, its crack spread** followed an increasing trend in the first half of the year (16.4\$/bbl on average in the first quarter, and 18.8\$/bbl on average in the second), thanks to the resilience of consumption in the private sector, and to reduced production during the scheduled spring maintenance season. Subsequently, the average in July dropped to around 14\$/bbl, as additional production from new refineries is starting to reach the market, and the American driving season is slow to materialize. Therefore, experts have conservatively revised their estimates for the second half of the year, with values in the third quarter expected in line with current ones.

**Concerning middle distillates, the diesel crack spread** was very strong in the first quarter (26.3\$/bbl), and subsequently fell to 18.2\$/bbl in the second quarter, also due to seasonal dynamics. The average for July is currently around 18\$/bbl, and expectations for the second half of the year converge towards lower values than in the first semester, also considering the previously mentioned new refining capacity. Nonetheless, diesel crack spread should remain above historical averages, due to the structural changes in the supply flows towards Europe, as well as expectations of greater consumption in the final part of the year.

**Finally, regarding the electricity market**, the single Italian national price (PUN) of electricity is expected to rise on average slightly above €100/MWh in the second half of the year, following, as usual, the volatility of natural gas. At the time of writing this document, the average PUN for July is around 110€/MWh, given the high seasonal temperatures which have increased power demand for air conditioning. Moving on to the prices of EUA permits on CO2 emissions, experts predict levels around the current ones of approx. 65-70€/ton also later in the year, consistent with the decarbonization commitments of European countries.

In light of these forecasts, **expectations for the "EMC Reference Margin" remain higher than historical averages also for the second half of 2024**, albeit down compared to 2023.

**As regards the operations of the industrial site of Sarroch**, after the turnaround in the first six months of 2024 of the alkylation plant, the tail gas treatment plant (TGTU), one atmospheric distillation unit called "Topping RT2", and a vacuum distillation unit called "Vacuum V1", (with the slowdown of the IGCC plant operations), in the third quarter there will be have some maintenance activities

on the sulphur recovery plant (Z3), while in the last quarter, planned maintenance will relate to cleaning of the “Topping T2” and the “Vacuum V2” units, as well as other maintenance work on the IGCC plant (one turbine, one washing line and two gasifiers).

**Overall, the annual processing of crude oil is expected to be approximately 13.2 ÷ 13.5 Mton (or 96.5 ÷ 98.5 Mbl),** to which it will be added approximately 1 Mton of complementary feedstock (corresponding to roughly 7 Mbbbl); in addition, power generation is expected to be around 4.0 ÷ 4.2 TWh, up compared to 2023 levels (about 3.5 TWh), consistent with the planned maintenance works and based on the assumed “Essentiality” power requirement. In fact, it should also be recalled that Sarlux Srl combined cycle power plant (IGCC) has been enrolled by TERNA under the list of "essential" plants also for the year 2024, and that it has been admitted to the related cost reimbursement regime by ARERA.

Activities started in 2023, aimed at improving the performances of the Industrial & Marketing segment are continuing in 2024, with the involvement of a broad spectrum of commercial and industrial initiatives, and targeted at both margin maximization and cost optimization, to maintain the Sarroch refinery among the best assets in the sector and increase its resilience to market volatility.

Starting from the marginality premium already achieved in the first half of the year, and considering the current level of crack spreads and crude differentials, as well as the maintenance activities and the specific efficiency initiatives described above, the **Company confirms its guidance for the average annual premium above the EMC Reference Margin in the range between 3.5÷ 4.5 \$/bbl**, with risks skewed towards the mid-low part of the range. Once again, it must be noted that the expected trends in gasoline and diesel crack spreads will produce similar effects on Saras margin as well as on the EMC Reference Margin; conversely, only the Saras margin could be negatively affected by an overall increase in crude differentials vs. Brent, while such trend would not have any impact on the EMC Reference Margin. Therefore, the combined effect of expected market developments is one of the main factors that explain the expectation of the average Saras premium indicated above.

**The forecasts relating to fixed costs of the Industrial & Marketing segment are confirmed as equal to approximately EUR 380-400 million**, down compared to the year 2023 mainly due to the different maintenance plan envisaged and the impacts of the optimization initiatives in progress.

**Finally, the segment investments are confirmed to amount to around EUR 170-180 million, with the aim to continue** increasing the efficiency and maintaining the competitiveness of the plants. This estimate includes also investments dedicated to the launch of Energy Transition projects.

**Concerning investments in the Renewables segment, the construction of the 79 MW “Helianto” photovoltaic park was completed in June**, and therefore the total installed and operating capacity of the Renewables segment is now equal to 250 MW. The start of the “Helianto” production allows to estimate a cumulative production for the whole of 2024 of approximately 350 GWh that will be fully sold at market prices.

With regard to **investments in the Renewables segment**, is confirmed an amount to approx. EUR 13 million dedicated to the completion of the Helianto photovoltaic park. Any further investments will depend on obtaining Full Authorizations for the construction of new wind farms in the company pipeline.

Finally, concerning the Group **Net Financial Position**, the expected cash generation and the trend of working capital (by virtue of the scenario and performance assumptions hypothesized by the Company) allow to forecast a positive Net Financial Position at the end of the year.

Energy Transition activities are also continuing in 2024 to exploit opportunities and the evolution of the regulatory context. Among the projects currently in progress we mention:

- the development of a project to build a 20 MW electrolyzer, to produce green hydrogen to be used in the Sarroch refinery, powered by renewable energy. The evolution of this initiative, selected among the Italian beneficiaries of the public grants approved by the European Commission as part of the IPCEI Hy2Use, depends on the complete allocation of the funding, as well as on the authorization of third-party renewable plants that will supply green energy to the electrolyzer;
- the research and development project dedicated to the use of hydrogen and CO2 for the pilot production of synthetic fuels to optimize the potential uses of CO2 for which a loan was awarded in 2023 as part of the “Hard to Abate” NRRP call for tenders. The completion of engineering, procurement, activities, and the start of construction are expected in 2024, with construction expected to be completed by the end of 2025. Total investments are expected to be approximately EUR 10 million, and will be covered almost entirely by loans;
- the biofuel production, with technical assessments underway for the expansion and optimization of hydrogenated vegetable oil (HVO) production activities both in co-processing and in purity. In particular, studies and tests to allow a future pilot production of pure HVO for 20 kton/year are completed. Changes in logistics are underway to expand the range of usable vegetable oils (including high pour point oils). Engineering activities have been completed for a new pre-treatment unit of 100 ktons/year, that will make it possible to expand the range of feedstock for the production of HVO both in co-processing and in purity. Finally the study for the revamping of some existing desulfurization units (U300 and U700) to produce HVO and HEFA pro SAF up to 200 kton/year is underway;

- the "Waste To Fuel" project, for which a financing application has been submitted for a European tender for the construction of a low-temperature pyrolysis plant for the production of advanced fuel and carbon black from used tires (about 14 kton/year).



# Risk Analysis

The Saras Group bases its risk management policy on risk identification, assessment and mitigation with reference to the strategic, operational and financial areas. The main risks are reported to and discussed by the Group top management so as to create the prerequisites for their management and also to assess the acceptable residual risk. The management of the risks found in the company processes is based on the principle by which the operational or financial risk is managed by the person responsible for the related process, based on the indications of top management, while the control function measures and monitors the level of exposure to risk and the results of risk mitigation actions. To manage financial risks, the Saras Group policy includes the use of derivatives, only for hedging and without using complex structures.

## FINANCIAL RISKS

### Exchange rate risk

The Group oil business is structurally exposed to fluctuations in exchange rates, because the reference prices for the procurement of crude oil and for the sale of the vast majority of refined oil products are linked to the US dollar. To reduce the exchange rate risk for transactions that will be carried out in the future and the risk originating from payables and receivables expressed in currencies other than the functional currency, Saras also uses hedging derivative instruments where appropriate.

### Interest rate risk

Loans at variable interest rates expose the Group to risk of changes in earnings and cash flows due to interest. Loans at fixed interest rates expose the Group to the risk of changes of the fair value of the loans received. The main existing loan contracts are stipulated in part at variable market rates and in part at fixed rates. The Saras Group also uses derivative instruments to reduce the risk of changes in results and in cash flows deriving from interest. Inflationary pressures, resulting from an increase in the prices of raw materials and commodities, led to an increase in both shorthand medium-term interest rates. The ECB has repeatedly revised upwards the marginal lending rate and the deposit rate in 2023, with a reversal trend in 2024, despite remaining at high levels compared to previous years. This level of interest rates causes an increase in financial charges and the cost of derivative transactions for the Saras Group.

### Credit risk

The refining sector represents the Group reference market and is mainly made up of multinational companies operating in the oil industry. Transactions carried out are generally settled in a very short time and are often guaranteed by leading credit institutions. Extranetwork sales are for individual contained amounts and are also often guaranteed or insured, with a very low risk of non-recoverability; furthermore, the Group resorts to the assignment of receivables without recourse with leading factoring companies. It should be remembered that the Group is not directly or indirectly exposed to Russian counterparties.

### Liquidity risk

The Group finances its activities both through the cash flows generated by its operations and using external sources of financing. It is therefore exposed to liquidity risk, consisting of the ability to find adequate lines of credit so as to meet the related contractual obligations, including compliance with covenants. Self-financing capacity, and consequently the level of debt, is determined by the generation of cash from operations and the performance of working capital; in particular, the latter is based on levels of demand and supply of crudes and oil products as well as the relative prices and their extreme volatility and sensitivity to external factors (such as economic, social and political factors). It should also be pointed out that the financial parameters on existing loans subject to review are complied with. Finally, it should be noted that the level of debt could also undergo positive and negative changes due to the trend in working capital and core business, both affected by the high volatility of the prices of oil and energy commodities.

As described before, Varas S.p.A., a special purpose vehicle controlled by Vitol B.V. through Varas Holding S.p.A. has purchased to date a stake in Saras S.p.A. equal to 46.014% of the share capital. The transfer of ownership of 35.019% of Saras S.p.A. shares by the companies Massimo Moratti S.a.p.A. di Massimo Moratti, Angel Capital Management S.p.A. and Stella Holding S.p.A. to the company Varas S.p.A., caused a "change of control" event pursuant to the existing financing contracts.

It was therefore necessary in the month of June 2024 to request a waiver from the financing banks in order to agree with the financiers not to exercise the contractual right to request reimbursement in the presence of the "change of control", restoring the original payment schedules in the medium and long term.

To date, the issuance of waivers by the lending banks is being finalized, for which there are no elements that suggest the lack of authorization. In particular, the Company received formal notice that the lending banks had unanimously given their consent to the request made. This consent is conditional on a contractual amendment to the definition of "Shareholders" currently being formalized between the parties.

## **OTHER RISKS**

### **Price fluctuation risk**

The Saras Group results are influenced by the trend in oil prices and especially by the effects that this trend has on refining margins (represented by the difference between the prices of the oil products generated by the refining process and the price of the raw materials, principally crude oil). In addition, for its production activities, the Saras Group is required to maintain adequate inventories of crude oil and finished products and the value of these inventories is subject to the fluctuations of market prices. The risk of price fluctuation and of the related financial flows is closely linked to the very nature of the business and it can be only partly mitigated by applying appropriate risk management policies. In order to address the risks arising from price changes and more specifically to mitigate the precise price fluctuations on the quantities bought and sold compared to the monthly averages, the Group also enters into hedging contracts on commodities. Also subject to change are the prices of electricity sales by the subsidiaries Sarlux and Sardeolica, as well as the prices of Energy Efficiency Certificates and CO2 emission quotas.

In particular, the outbreak of the Russian-Ukrainian conflict radically changed the global energy scenario, triggering from the end of February 2022 an immediate rise in energy commodity prices (oil and derivatives, gas, and electricity) and high volatility, with major impacts on the reported results of Oil & Gas and Refining companies. This phenomenon has more directly involved Europe, which is more dependent on Russia in terms of energy. In particular, the Western sanctions imposed on oil imports from Russia have led to an increase in the prices and margins of refined products, which in 2022 translated into a significant improvement in the Group economic and financial results. This development, as described in the chapter relating to the Reference Market, progressively decreased in 2023 in the case of middle distillates: refining margins, while remaining above the historical averages, recorded a reduction, mainly due to a partial slowdown in industrial consumption and a simultaneous increase in imports of refined products, especially from Asia (India, China, the Middle East and Turkey). In this regard, it should be noted that also in 2024, the Group expected income results and cash flows are exposed to the risks of a global economic slowdown or, in the most severe case, a possible recession, with the consequent reduction of growth expectations in demand for hydrocarbons. The next decisions of the European and US central banks in relation to monetary policies and the adjustment of interest rates to contain the high levels of inflation could in fact put the brakes on economic growth, with negative consequences on oil demand. The international geopolitical tensions caused by the Russian invasion of Ukraine and the recent conflicts in the Middle East, increase the systemic risks, including that of the continuation of the war, of its extension to other countries, the supply chain and consumer, business and investor confidence resulting in delays or halts in spending and investment decisions. The occurrence of such events could trigger a slowdown in growth or, in the worst case, a global recession. These conditions could lead to a reduction in the demand for energy raw materials and a consequent reduction in prices, with negative repercussions on the economic results, cash flow and the implementation of the Group business plans.

### **Risk related to the procurement of crude oil**

A significant portion of the crude oil refined by Saras originates from countries exposed to high political, social and macroeconomic uncertainties; changes in legislation, politics, economic stability and social unrest could have a negative impact on the commercial relationships between Saras and those countries, with potentially negative effects on the Group economic and financial position. In particular, as described in the chapter "Outlook", the recent geopolitical tensions in the Middle East and the recent attacks on ships in transit in the Red Sea have forced the lengthening of routes along the coasts of Africa, with a significant increase in chartering costs which involved imports of crude oil and products.

### **Risks of interruption of production**

The activity of the Saras Group depends heavily on its refinery located in Sardinia and on the contiguous IGCC plant. This activity is subject to the risks of accident and of interruption due to non-scheduled plant shutdowns. Saras believes that the complexity and modularity of its plants make it possible to limit the negative effects of unscheduled shutdowns brought about by external factors and that the safety plans in place (which are continuously improved) make it possible to minimize any risks of accidents; it should be noted that the worsening of adverse weather events recently, combined with the current characteristics of the Sardinian electricity system, has increased the probability and potential impact of the risk of an interruption of production. Saras also has a major program of insurance cover in place in relation to these risks. However, under certain circumstances, this program may not be sufficient to prevent the Group from incurring costs in the event of accidents and/or interruption to production.

### **Environmental risks, health and safety at work**

The activities of the Saras Group are regulated by many European, national, regional and local laws regarding the environment. The highest priority of the Saras Group is to conduct its activity with the utmost respect for the requirements of environmental legislation. In particular, the Group has an Environmental Management System compliant with the ISO 14001/2015 standards and the Community EcoManagement and Audit System EMAS and an EN ISO 45001 certified Occupational Health and Safety Management System. The risk of environmental responsibility is, however, inherent in our activity and there is no certainty that new legislation will not impose further costs in the future.

### **Legislative and regulatory risk**

The characteristics of the Group business are affected by the continuously evolving legislative and regulatory context of the countries in which it operates. With regard to this, Saras is committed to continuously monitoring and maintaining a constructive dialogue with national and local institutions aimed at seeking opportunities for discussions and prompt evaluation of any legal amendments, acting on minimizing the economic impact deriving from them. In this context, the most significant aspects of the main regulatory developments relate to:

- regulations relating to the reduction of national emissions of specific atmospheric pollutants and their effect on the limits indicated in the current AIA permit;
- the view of the European Commission and the ARERA (Italian Authority for Electricity, Gas and Water) implementing documents in relation to the recognition of the Sarlux subsidiary as an energy-intensive enterprise;
- regulatory provisions relating to energy efficiency certificates for the Power sector and incentives for the Wind sector and their consequences for the G.S.E.;
- regulations and implementation documents issued by Terna and ARERA regarding the Essentiality Regime agreement requirements of the IGCC plant of Sarlux, and the cost reimbursement regime;
- measures taken to contain electricity costs, such as for example the TER Support Decree and the 2023 Budget Law which impact, on the one hand, system charges and variable energy components for "energy-intensive" enterprises (Sarlux) and, on the other hand, the sale prices of electricity from renewable sources (Sardecolica, Energia Verde and Energia Alternativa);
- regulatory provisions on "Emission trading" allowances.

### **Third-party risk**

The main raw materials used by the Group for its core business (refining and production of electricity) are supplied by third-party suppliers that may be inadequate in terms of skills, size, insurance and knowhow. It follows that the Group is exposed to a risk of interruption of supply linked to an inadequate supplier, a risk mitigated for "oil" suppliers by a "know your customer" process and for "non-oil" suppliers by a centralized process of "Qualification" of suppliers for groups of critical goods.

### **Climate change risk**

The Group activities are intrinsically exposed to risks and opportunities related to climate change. These risks and opportunities, which are included in the Corporate Risk Management model, can be both physical and regulatory, i.e., arising from the policies being implemented to accompany the energy transition and limit climate change. With respect to physical risks, the Group could be exposed to significant accidents at its facilities due to adverse weather events (e.g., torrential rains, lightning strikes, sea level rise, drought). Any mitigation measures are represented by insurance cover, an HSE management system, and a weather event management system designed to make the plants safe.

With regard to regulatory risk, the Group could face further tightening of European and national legislation on decarbonization and ecological transition. The Group constantly monitors regulatory developments and assesses mitigating measures and actions from time to time.

Finally, the Group manages the reputational risk related to the assessment of its sustainable business strategy by its Stakeholders through engagement activities with the Stakeholders, materiality analyses for the identification of priority issues and impacts, performance monitoring through ESG indicators and, finally, appropriate transparent and comprehensive reporting in the area of Sustainability. In this regard, it should be noted that in July 2023 the European Commission published, in a Delegated Act, the new European Sustainability Reporting Standards (ESRS) intended for all companies subject to the Corporate Sustainability Directive (CSRD), including Saras. These principles must be adopted from 2024.

Saras has launched a process of decarbonization and energy transition that provides for the development of electricity production capacity from renewable sources (wind and photovoltaic).

This plan is complemented by additional projects in various stages of development, including those in the Green Hydrogen area, in partnership with Enel Green Power. Finally, in addition to these projects, the expansion of the biofuel production capacity is assessed.

### **Protection of Personal Data**

The Saras Group operates in compliance with current regulations to protect data and protect its clients, customers, employees and all customers and clients with whom it comes into contact on a daily basis. In particular, on 25 May 2018 the new European Regulation no. 679/2016 (the "GDPR Code"), safeguarding the protection of personal data, the Saras Group promptly launched a project to implement the new GDPR and aligned its proprietary procedure and process with all the innovations introduced by this Regulation.

### **Information technology and cybersecurity**

The Group is equipped with complex information systems to support the various activities and business processes, in particular the operation and management of the Sarroch refinery. Risk aspects concern the adequacy of such systems and the availability, integrity and confidentiality of data and information and Cyber Attacks. For some time now, the Group has been developing projects and applying solutions that aim to significantly reduce this type of risk, through centralized cyber security management with the aim of addressing cyber security threats, supporting the business in choosing the most appropriate protection mechanisms. During the 2023 financial year, the Group continued to increase the level of protection from cyber-attacks through an Uptime security monitoring service and the delivery of awareness courses to the company population.

### **Provisions for risks and charges**

In addition to what has been described above in relation to risk management and mitigation, in view of the current obligations, resulting from past events, which may be of a legal, contractual or regulatory nature, the Saras Group has made over the years appropriate allocations to provisions for risks and charges included in statement of financial position liabilities (see Notes to the Financial Statements).

### **Involvement in legal proceedings**

Saras is a party in civil and administrative proceedings and in legal actions related to the normal course of its business. In addition to the provision for risks for disputes set aside in the financial statements, it is possible that in the future Saras may incur other liabilities, even significant ones due to: (i) uncertainty with respect to the final outcome of pending litigations for which a loss is currently assessed as not probable or the estimate of the related liability as not reliable; (ii) the occurrence of further developments or the emergence of new evidence and information that may provide sufficient elements for a reliable estimate of the amount of the obligation; (iii) inaccuracy in the estimate of the provisions due to the complex process of determination that involves subjective judgments by management. Violations of the Code of Ethics, laws and regulations, including anti-corruption rules, by Saras, its business partners, agents or other persons acting in its name or on its behalf, may expose Saras and its employees to the risk of criminal and civil penalties that could damage the Company's reputation and shareholder value. For more details on the proceedings in progress, please refer to paragraph 7.1 of the Notes to the Consolidated Financial Statements.

## **Other Information**

### **Treasury shares**

In the first six months of 2024, Saras S.p.A. has not bought or sold any treasury shares.

### **Research and development**

Saras did not undertake any significant research and development activities. Therefore, no significant costs have been capitalized or recorded in the income statement in the first six months of 2024.

### **Non-recurring and unusual transactions**

In the first six months of 2024 there were no significant transactions and there are no positions resulting from atypical and/or unusual transactions.

## Main events after the end of the first six months of 2024

**On 10<sup>th</sup> July 2024** the Commissione Nazionale per le Società e la Borsa (“**CONSOB**”), by resolution dated 10 July 2024, no. 23188, pursuant to Article 102, paragraph 4, of Legislative Decree no. 58 of 24 February 1998 (the “CFA”), approved the offer document (the “Offer Document”) related to the mandatory tender offer (the “Offer”) promoted by the Varas S.p.A., pursuant to Articles 102 and 106, paragraph 1 of the CFA, on a maximum of No. 518,486,282 ordinary shares of Saras S.p.A. (“Saras”), representing approximately 54.520% of the Saras’ share capital, other than the No. 432,513,718 shares, representing approximately 45.480% of the Saras’s share capital, already owned by Varas S.p.A. (<https://www.saras.it/sites/default/files/uploads/pressreleases/communication-published-by-saras-s.p.a.-on-behalf-of-varas-s.p.a---approval-of-the-offer-document.pdf>)

**On 11<sup>th</sup> July 2024** Varas S.p.A. published the Offer Document, approved by Consob with resolution dated 10 July 2024, no. 23188, which includes the Issuer’s Notice pursuant to Article 103, Paragraph 3, of the CFA, and 39 of the Issuers’ Regulation and the opinion of the independent directors pursuant to Article 39-bis of the Issuers’ Regulation. (<https://www.saras.it/sites/default/files/uploads/pressreleases/communication-published-by-saras-s.p.a.-on-behalf-of-varas-s.p.a---publication-of-the-offer-document.pdf>)

**On 22 July 2024**, for the €305M RCF line, and on 23 July 2024, for the two loans secured by SACE, the Company received formal notice that the lending banks had unanimously given their consent to the request made. This consent is conditional on a contractual amendment to the definition of "Shareholders" currently being formalized between the parties.

**On 24 July 2024**, the deed of demerger with spin-off of the Sardeolica company was signed in favour of the beneficiary Sarhelianto S.r.l., which will take care of the management of the "Helianto" photovoltaic plant.

# INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30TH JUNE 2024

## Consolidated Statement of Financial Position as at 30<sup>th</sup> June 2024

Thousands of EUR		30/06/2024	31/12/2023
<b>ASSETS</b>	(1)		
<b>Current assets</b>	5.1	<b>2,384,254</b>	<b>2,450,542</b>
Cash and cash equivalents	5.1.1	323,116	542,651
Other financial assets	5.1.2	131,297	114,535
Trade receivables	5.1.3	511,764	488,778
Inventories	5.1.4	1,355,058	1,247,087
Current tax assets	5.1.5	27,329	27,242
Other assets	5.1.6	35,690	30,249
<b>Non-current assets</b>	5.2	<b>1,344,444</b>	<b>1,314,084</b>
Property, plant and equipment	5.2.1	1,160,283	1,172,659
Intangible assets	5.2.2	36,578	38,922
Right-of-use of leased assets	5.2.3	34,549	38,480
Other equity investments	5.2.4	745	745
Deferred tax assets	5.2.5	70,439	20,812
Other financial assets	5.2.6	3,196	3,812
Other assets	5.2.7	38,654	38,654
<b>Non-current assets held for sale</b>	5.2.8	<b>333</b>	<b>333</b>
<b>Total assets</b>		<b>3,729,031</b>	<b>3,764,959</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>	5.3	<b>2,072,153</b>	<b>1,766,039</b>
Short-term financial liabilities	5.3.1	451,671	148,993
Trade and other payables	5.3.2	1,355,796	1,417,706
Current tax liabilities	5.3.3	195,036	118,216
Other liabilities	5.3.4	69,650	81,124
<b>Non-current liabilities</b>	5.4	<b>345,751</b>	<b>654,371</b>
Long-term financial liabilities	5.4.1	27,812	345,245
Provisions for risks and charges	5.4.2	289,526	276,522
Provisions for employee benefits	5.4.3	6,829	5,967
Deferred tax liabilities	5.4.4	3,730	3,730
Other liabilities	5.4.5	17,854	22,907
<b>Total liabilities</b>		<b>2,417,904</b>	<b>2,420,410</b>
<b>SHAREHOLDERS' EQUITY</b>	5.5		
Share capital		54,630	54,630
Legal reserve		10,926	10,926
Other reserves		1,136,830	965,056
Net result		108,741	313,937
<b>Total parent company shareholders' equity</b>		<b>1,311,127</b>	<b>1,344,549</b>
Third-party minority interests		-	-
<b>Total shareholders' equity</b>		<b>1,311,127</b>	<b>1,344,549</b>
<b>Total liabilities and shareholders' equity</b>		<b>3,729,031</b>	<b>3,764,959</b>

(1) Please refer to the Notes, section 5 "Notes on the Statement of Financial Position"

# Consolidated Statement of Income and Consolidated Statement of Comprehensive Income for the periods 1<sup>st</sup> January – 30<sup>th</sup> June 2024

Thousands of EUR	(1)	1st January 30st June 2024	1st January 30st June 2023
Revenues from ordinary operations	6.1.1	5,835,061	5,387,981
Other income	6.1.2	72,624	28,947
<b>Total revenues</b>		<b>5,907,685</b>	<b>5,416,928</b>
Purchases of raw materials and consumables	6.2.1	(4,926,721)	(4,542,941)
Cost of services and sundry costs	6.2.2	(623,542)	(512,099)
Personnel costs	6.2.3	(82,196)	(79,921)
Depreciation/amortization and write-downs	6.2.4	(99,293)	(94,387)
<b>Total costs</b>		<b>(5,731,752)</b>	<b>(5,229,348)</b>
<b>Operating result</b>		<b>175,933</b>	<b>187,580</b>
Financial income	6.3	42,569	112,346
Financial charges	6.3	(84,487)	(126,930)
<b>Result before taxes</b>		<b>134,015</b>	<b>172,996</b>
Income taxes	6.4	(25,274)	(50,673)
<b>Net result</b>		<b>108,741</b>	<b>122,323</b>
<b>Net result attributable to:</b>			
Shareholders of the parent company		108,741	122,323
Third-party minority interests		0	0
<b>Net earnings per share – base (EUR cents)</b>		<b>11.43</b>	<b>12.86</b>
<b>Net earnings per share – diluted (EUR cents)</b>		<b>11.43</b>	<b>12.86</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 1st JANUARY - 30st JUNE 2024

Thousands of EUR	1st January 30st June 2024	1st January 30st June 2023
<b>Net result (A)</b>	<b>108,741</b>	<b>122,323</b>
<b>Items of comprehensive income that may subsequently be restated to profit or loss for the period</b>		
Effect of translation of the financial statements of foreign operations	487	681
Cash Flow Hedging reserve		2,376
<b>Items of comprehensive income that will not be restated to profit or loss for the period</b>		
Actuarial effect IAS 19 on employee post-employment benefits	0	0
<b>Other profit/(loss), net of the fiscal effect (B)</b>	<b>487</b>	<b>3,057</b>
<b>Total consolidated net result (A + B)</b>	<b>109,228</b>	<b>125,380</b>
<b>Total consolidated net result attributable to:</b>		
Shareholders of the parent company	109,228	125,380
Third-party minority interests		

(1) Please refer to the Notes, section 5 "Notes on the Statement of Financial Position"

## Consolidated Statement of Changes in Equity to 30<sup>th</sup> June 2024

Thousands of EUR	Share Capital	Legal Reserve	Other Reserves	Profit (Loss) for the period	Total shareholders' equity attributable to the parent company	Third-party minority interests	Total shareholders' equity
<b>Balance at 31/12/2022</b>	<b>54,630</b>	<b>10,926</b>	<b>729,902</b>	<b>416,916</b>	<b>1,212,374</b>	<b>0</b>	<b>1,212,374</b>
Allocation of previous year result			416,916	(416,916)	0		0
Dividend distributed			(180,690)		(180,690)		(180,690)
Conversion effect of financial statements in foreign currency			(614)		(614)		(614)
Actuarial effect IAS 19			(321)		(321)		(321)
Cash Flow Hedging reserve			(137)		(137)		(137)
Net result				313,937	313,937		313,937
<i>Total net result</i>			(1,072)	313,937	312,865		312,865
<b>Balance at 31/12/2023</b>	<b>54,630</b>	<b>10,926</b>	<b>965,056</b>	<b>313,937</b>	<b>1,344,549</b>	<b>0</b>	<b>1,344,549</b>
Allocation of previous year result			313,937	(313,937)	0		0
Dividend distribution			(142,650)		(142,650)		(142,650)
Conversion effect of financial statements in foreign currency			487		487		487
Net result				108,741	108,741		108,741
<i>Total net result</i>			487	108,741	109,228		109,228
<b>Balance at 31/03/2024</b>	<b>54,630</b>	<b>10,926</b>	<b>1,136,830</b>	<b>108,741</b>	<b>1,311,127</b>	<b>0</b>	<b>1,311,127</b>



# Consolidated Statement of Cash Flows for the period to 30<sup>th</sup> June 2024

Thousands of EUR	(1)	1/1/2024- 30/06/2024	1/1/2023- 30/06/2023
<b>A - Initial cash and cash equivalents</b>		<b>542,651</b>	<b>707,115</b>
<b>B - Cash flow from (for) operating activities</b>			
Net result	5.5	108,741	122,323
Unrealized exchange rate differences on bank current accounts		(4,540)	(13,999)
Depreciation/amortization and write-downs of fixed assets	6.2.4	99,293	94,387
Net change in provisions for risks	5.4.2	13,004	(20,222)
Net change in provision for employee benefits	5.4.3	862	721
Net change in deferred tax liabilities and deferred tax assets	5.2.4 - 5.4.4	(49,627)	(866)
Net interest		26,446	16,850
Income taxes	6.4	74,901	51,539
Change in the fair value of derivatives	5.1.2 - 5.3.1	(3,235)	935
Other non-monetary components	5.5	487	3,057
<b>Profit (loss) of operating activities for the period before changes in working capital</b>		<b>266,332</b>	<b>254,725</b>
(Increase) / Decrease in trade receivables	5.1.3	(22,986)	259,381
(Increase) / Decrease in inventories	5.1.4	(107,971)	67,293
Increase / (Decrease) in trade and other payables	5.3.2	(61,910)	(252,338)
Change in other current assets	5.1.5 - 5.1.6	(5,528)	43,580
Change in other current liabilities	5.3.3 - 5.3.4	50,992	86,693
Interest received		1,264	1,481
Interest paid		(27,710)	(18,331)
Taxes paid	5.3.2	(61,022)	(313,063)
Change in other non-current liabilities	5.4.5	(5,054)	(11,388)
<b>Total (B)</b>		<b>26,408</b>	<b>118,033</b>
<b>C - Cash flow from (for) investment activities</b>			
Net investments in property, plant and equipment and intangible assets	5.2.1-5.2.2	(79,916)	(141,587)
Net investments in Right-of-use of leased assets		(726)	(256)
(Increase)/Decrease in other financial assets and other equity investments	5.1.2	9,138	111,411
<b>Total (C)</b>		<b>(71,504)</b>	<b>(30,432)</b>
<b>D - Cash flow from (for) financing activities</b>			
Increase/(decrease) m/l-term financial payables	5.4.1	(317,433)	(60,939)
Increase/(decrease) in short-term financial payables	5.3.1	280,629	(70,116)
Distribution of dividends		(142,175)	(180,690)
<b>Total (D)</b>		<b>(178,979)</b>	<b>(311,745)</b>
<b>E - Cash flows for the period (B+C+D)</b>		<b>(224,075)</b>	<b>(224,144)</b>
Unrealized exchange rate differences on bank current accounts		4,541	14,000
<b>F - Final cash and cash equivalents</b>		<b>323,116</b>	<b>496,970</b>

(1) Please refer to the Notes, section 5 "Notes on the Statement of Financial Position"

For the Board of Directors  
The Chairman  
Massimo Moratti



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2024

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## 1. Foreword

The publication of the condensed consolidated financial statements of the Saras Group for the period ended 30 June 2024 was authorized by the Board of Directors on 31 July 2024.

Saras S.p.A. (hereinafter also the "Parent Company") is a joint-stock company listed on the Milan Stock Exchange, with registered office in Sarroch (CA) (Italy), SS 195 "Sulcitana" Km. 19.

On June 18, 2024, Varas S.p.A. ("**Varas**"), a special purpose vehicle controlled by Vitol B.V. through Varas Holding S.p.A. purchased the 35.019% of Saras S.p.A. share capital. On that date, in fact, there was the completion of the acquisition, pursuant to the sale and purchase agreement signed on 11 February 2024 (the "**Sale and Purchase Agreement**"), by Varas S.p.A., of the entire shareholding held by Massimo Moratti S.a.p.A., Angel Capital Management S.p.A. and Stella Holding S.p.A. (collectively the "Moratti Family") in the Company equal to 35.019% of the share capital, at a price of €1.60 per share, i.e. the €1.75 per share price pursuant to the Sale and Purchase Agreement as adjusted downward following the payment of the dividend (the "Acquisition").

The Acquisition was communicated via a specific press release, and the full content can be examined on the Saras website (to the link: <https://www.saras.it/sites/default/files/uploads/pressreleases/press-releaseshareholders-and-vitol---eng.pdf>).

The Acquisition triggered a mandatory tender offer (the "**MTO**") for the outstanding share capital of Saras, at the same price per share (i.e., €1.60/share).

As indicated in the press release published by Saras on behalf of Varas on June 19, 2024, the purpose of the MTO is for Varas to acquire the Saras' entire share capital and, consequently, to achieve the delisting from the Euronext organized and managed by Borsa Italiana S.p.A. of the shares, Should the requirements for the delisting not occur, Varas reserves the right to achieve the delisting by means of a merger by incorporation of Saras into Varas.

With reference to the Acquisition authorization process after the signing date of the Sale and Purchase Agreement (i.e. 11 February 2024):

- ▶ on 23 April 2024, the Presidency of the Council of Ministers issued a decree, pursuant to Law Decree No. 21/2012, as subsequently amended and supplemented, including the further clarifications introduced by Prime Ministerial Decree No. 179 of 18 December 2020, regarding the exercise of special powers (so-called "golden power") containing certain prescriptions (none of which were an obstacle to the completion of the Acquisition). The full content of the press release is available on the Saras website (to the link: [https://www.saras.it/sites/default/files/uploads/pressreleases/press-release-issued-at-the-request-and-on-behalf-of-vitol-b.v.\\_0.pdf](https://www.saras.it/sites/default/files/uploads/pressreleases/press-release-issued-at-the-request-and-on-behalf-of-vitol-b.v._0.pdf))
- ▶ on 6 June 2024, the European Commission issued the authorisation for the Acquisition, without the imposition of any conditions, pursuant to the EU Competition Regulation The full content of the press release is available on the Saras website (to the link [https://www.saras.it/sites/default/files/uploads/pressreleases/press-release-issued-at-the-request-and-on-behalf-of-vitol-b.v.\\_1.pdf](https://www.saras.it/sites/default/files/uploads/pressreleases/press-release-issued-at-the-request-and-on-behalf-of-vitol-b.v._1.pdf))
- ▶ on 12 June 2024, the European Commission issued the authorisation for the Acquisition, without the imposition of any conditions, pursuant to the European Union's foreign subsidies regulation. The full content of the press release is available on the Saras website ([https://www.saras.it/sites/default/files/uploads/pressreleases/press-release-issued-at-the-request-and-on-behalf-of-vitol-b.v.\\_2.pdf](https://www.saras.it/sites/default/files/uploads/pressreleases/press-release-issued-at-the-request-and-on-behalf-of-vitol-b.v._2.pdf))
- ▶ Following the fulfilment of all conditions precedent, on 18 June 2024 Vitol B.V., through its subsidiary Varas S.p.A., completed the purchase of the entire shareholding held by Massimo Moratti S.a.p.A., Angel Capital Management S.p.A. and Stella Holding S.p.A. (collectively the "Moratti Family") in the Company equal to 35.019% of the share capital (the "Transaction"), in execution of the sale and purchase agreement (the "Sale and Purchase Agreement") signed and communicated to the market on 11 February 2024. The full content of the press release is available on the Saras website (to the link [https://www.saras.it/sites/default/files/uploads/pressreleases/pr-18\\_06\\_24\\_0.pdf](https://www.saras.it/sites/default/files/uploads/pressreleases/pr-18_06_24_0.pdf))
- ▶ On 19 June 2024, Varas S.p.A. filed with the Commissione Nazionale per le Società e la Borsa (Consob) the Offer Document relating to the mandatory public tender offer for the ordinary shares of Saras S.p.A. The full content of the press release is available on the Saras website (to the link [https://www.saras.it/sites/default/files/uploads/pressreleases/communication-published-by-saras-s.p.a.-on-behalf-of-varas-s.p.a.\\_0.pdf](https://www.saras.it/sites/default/files/uploads/pressreleases/communication-published-by-saras-s.p.a.-on-behalf-of-varas-s.p.a._0.pdf))

As of today, Vitol B.V. holds a stake in Saras S.p.A. equal to 46.014% of the share capital.

The Company is established until 31st December 2056, as stated in its articles of association.

Saras S.p.A. operates in the domestic and international oil markets by purchasing crude oil and selling finished products. Saras Group activities include crude oil refining and the production of electricity from both the integrated combined cycle gasification plant of the subsidiary Sarlux S.r.l., and the wind farms of the subsidiaries Sardeolica S.r.l., Energia Alternativa S.r.l. and Energia Verde S.r.l. and the sale of energy through the new subsidiary Saras Energy Management S.r.l., established in 2023, whose business started in the first few months of 2024. In addition, it should be noted that, as from June 21, 2024, the company Sardeolica has begun the testing phase in order to feed energy produced by the "Heliato" photovoltaic plant into the electricity grid.

These consolidated interim financial statements at 30 June 2024 are presented in Euro, the currency valid in the economy in which the Group operates. They comprise the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Cash Flow Statement, Statement of Changes in Shareholders' Equity and the Notes. All values in the notes to the consolidated financial statements are stated in thousands of Euro, unless indicated otherwise.

## **2. General preparation criteria for the Consolidated Financial Statements**

The condensed consolidated financial statements of the Saras Group for the period ended 30 June were prepared on the basis of International Financial Reporting Standards (hereinafter "IFRS" or "international accounting standards") issued by the International Accounting Standards Board (IASB) and adopted by the European Commission in accordance with the procedure indicated in Art. 6, Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, and in accordance with the provisions issued in implementation of Art. 9, Italian Legislative Decree no. 38 of 28 February 2005.

The term IFRS is used to mean all International Financial Reporting Standards, all International Accounting Standards (IAS) and all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC), endorsed by the European Commission as of the date the consolidated financial statements were approved by the Board of Directors of the Parent Company and set out in the relevant EU regulations published as of that date.

The financial statements have been prepared using the following criteria, in line with IAS 1, deemed suitable to provide a more complete picture of the financial position, operating results and cash flows of the Group:

- Statement of Financial Position: assets and liabilities are divided into current and non-current items, according to liquidity;
- Income Statement and Statement of Comprehensive Income: income statement items are presented according to their nature;
- Cash Flow Statement: presented using the indirect method, which distinguishes between cash flows from operations, investing and financing activities;
- Consolidated Statement of Changes in Shareholders' Equity.

The accounting standards shown below have been applied consistently to all the periods reported.

## **3. Drafting principles and changes in the Group's accounting standards**

### **3.1 Drafting principles**

The condensed consolidated financial statements of the Saras Group at 30 June 2024, prepared in accordance with Art. 154-ter of the Consolidated Law on Finance, as amended, were drafted in compliance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standard Board (IASB) and endorsed by the European Union, which include all international accounting standards (IAS) and all the interpretations of the International Financial Reporting Interpretation Committee (IFRIC), previously called the Standing Interpretations Committee (SIC). The condensed consolidated financial statements at 30 June 2024 were drafted in accordance with the provisions of IAS 34 – Interim financial reporting.

### **3.2 New accounting standards, interpretations and amendments adopted by the Group**

The accounting standards adopted by the Saras Group to draft the condensed consolidated financial statements at 30 June 2024 are consistent with those used to prepare the consolidated financial statements at 31 December 2023 and the corresponding interim reporting period, with the exception of the new accounting standards, interpretations and amendments outlined below which, at the reporting date, had already been issued and entered into force during the current year. The Group did not arrange early adoption of any new standards, interpretations or amendments issued but not yet in force.

## Standards issued and in force

### Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued an amendment to IFRS 16 to specify the requirements that a selling lessor uses in measuring the lease liabilities that arise from a sale & lease back transaction, to ensure that the selling lessor does not recognize profits or losses with reference to the right of use maintained by the same.

### Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB published amendments to paragraphs 69 to 76 of IAS 1 to specify requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by the right to defer settlement
- That the right to defer must exist at the end of the financial year
- Classification is not affected by the likelihood that the entity will exercise its right to defer
- Only if an embedded derivative in a convertible liability is itself a capital instrument does the liability's maturity have no impact on its classification

In addition, a requirement was introduced that requires reporting when a liability deriving from a loan agreement is classified as non-current and the right of deferment of the entity is subject to compliance with covenants within twelve months.

### Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued the amendments to IAS 7 Statement of cash flows and IFRS 7 Financial Instruments: Disclosures, to clarify the characteristics of reverse factoring contracts and request further disclosure of these agreements. The disclosure requirements included in the amendments aim to assist users of financial statements in understanding the effects of reverse factoring agreements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition requirements clarify that an entity does not have to disclose in its interim financial statements for the first year of application of the amendments. Consequently, these amendments are not expected to have a material impact on the condensed consolidated financial statements.

## 3.3 Consolidation scope

The condensed consolidated financial statements include the financial statements of the Parent Company and of the companies over which it exercises control, directly or indirectly, starting from the date on which it was acquired and up to the date when such control ceases. In this case, said control is exercised both by virtue of the direct or indirect ownership of the majority of shares with voting rights and the exercise of a dominant influence expressed by the power to determine, even indirectly by virtue of contractual or legal agreements, financial and managerial choices of the entities, obtaining the relative benefits, also regardless of any shareholding relationship. The existence of potential voting rights exercisable at the reporting date is considered for the purpose of determining control.

The financial statements subject to consolidation have been prepared at 30 June and are those specifically prepared and approved by the Boards of Directors of the individual companies, appropriately adjusted, where necessary, to align them with the accounting standards of the Parent Company.

Consolidated subsidiaries are listed in the table below:

<b>Consolidated on a line-by-line basis</b>	<b>% owned</b>
Deposito di Arcola Srl	100%
Sarlux Srl	100%
Sarint SA and subsidiaries	100%
Saras Energia SAU	100%
Terminal Logistica de Cartagena SLU	100%
Reasar SA	100%
Sardealica Srl	100%
Energia Verde Srl	100%
Energia Alternativa Srl	100%
Saras Trading SA	100%
Saras Energy Management Srl	100%
<b>Other investments: measured at cost as not significant</b>	
Sardhy Green Hydrogen Srl	50.00%
Sarda Factoring	4.01%
Consorzio La Spezia Utilities	5%

There is no change from 31 December 2023.

### 3.4 Use of discretionary estimates and valuations

The preparation of the condensed financial statements requires directors to apply accounting standards and methodologies that, in certain situations, are based on discretionary valuations and estimates founded on past experience and assumptions that at the time are considered reasonable and realistic under the circumstances. The application of these estimates and assumptions affects the amounts reported in the financial statements, i.e., the statement of financial position, income statement, statement of comprehensive income and cash flow statement, as well as the accompanying disclosures. The actual results of the accounting entries for which estimates and assumptions have been used may differ from those shown in the financial statements, due to the uncertainty surrounding said assumptions and the conditions upon which the estimates are based. The main estimates relate to the depreciation and amortization of fixed assets, the recoverable amount of fixed assets, the recoverable amount of inventories, the deferred taxes, the provisions for risks and provisions for impairment of current assets, the revenues from the sale of electricity according to the Essentiality Regime agreement and the cost recovery allowed by the Authority, the assessment of the recoverable amount of receivables and the estimate of the fair value of derivative instruments.

The trend of market variables, in the medium-long term and in the short term, including the price and supply of crude oil and the worldwide demand of finished products with respect to the processing capacity, are capable of influencing, even significantly, the Group's performance. This represents one of the critical assumptions for the valuation processes, more specifically for the assessment of fixed assets and of the recoverable amount of inventories as well as the volatility of the current values of financial instruments.

The underlying valuation processes, again complex, involve the expression of estimates which depend on variables that are outside the sector, which are highly volatile and which are based on assumptions that, by their nature, involve the use of a high degree of judgment on the part of company Management. The same, for this purpose, also considers scenarios expressed by independent sector experts.

Estimates and valuations are reviewed periodically and the effects of each are recognized in the income statement. A summary of the most significant estimates is presented in the Group's consolidated financial statements at 31 December 2022, to which reference should be made, and with respect to which there is no change.

## 4. Information by business segment and geographical area

### 4.1 Foreword

In order to present the performance of the Group's activities in a consistent manner, the information of the individual companies is allocated to the following business segments:

- Industrial & Marketing.
- Renewables.

### 4.2 Segment information

A breakdown by segment follows below. For further quantitative details and comments, please refer to the appropriate sections of the Report on Operations:

<b>Income Statement as of 30<sup>th</sup> June 2024</b>	<b>INDUSTRIAL&amp;MARKETING</b>	<b>RENEWABLES</b>	<b>TOTALE</b>
Revenues from ordinary operations	5,819,096	15,965	5,835,061
Other income	70,811	1,813	72,624
Depreciation/ Amortization and write-downs	(94,945)	(4,349)	(99,294)
<b>Operating result</b>	<b>167,501</b>	<b>8,432</b>	<b>175,933</b>
Financial Income (a)	68,559	731	69,290
Financial charges (a)	(110,520)	(688)	(111,208)
Income taxes	(22,966)	(2,308)	(25,274)
<b>Net Results</b>	<b>102,574</b>	<b>6,167</b>	<b>108,741</b>
<b>Total directly attributable assets at 30<sup>th</sup> June 2024 (b)</b>	<b>3,533,720</b>	<b>195,311</b>	<b>3,729,031</b>
<b>Total directly attributable liabilities at 30<sup>th</sup> June 2024 (b)</b>	<b>2,383,203</b>	<b>34,701</b>	<b>2,417,904</b>
<b>Investment in tangible assets at 30<sup>th</sup> June 2024</b>	<b>72,407</b>	<b>7,444</b>	<b>79,851</b>
<b>Investment in intangible assets at 30<sup>th</sup> June 2024</b>	<b>9</b>	<b>0</b>	<b>9</b>

<b>Income Statement as of 30<sup>th</sup> June 2023</b>	<b>INDUSTRIAL&amp;MARKETING</b>	<b>RENEWABLES</b>	<b>TOTALE</b>
Revenues from ordinary operations	5,375,374	12,607	5,387,981
Other income	27,521	1,426	28,947
Depreciation/ Amortization and write-downs	(90,019)	(4,368)	(94,387)
<b>Operating result</b>	<b>182,975</b>	<b>4,605</b>	<b>187,580</b>
Financial Income (a)	147,532	1,203	148,735
Financial charges (a)	(162,680)	(639)	(163,319)
Income taxes	(49,197)	(1,476)	(50,673)
<b>Net Results</b>	<b>118,630</b>	<b>3,693</b>	<b>122,323</b>
<b>Total directly attributable assets at 31<sup>th</sup> december 2023 (b)</b>	<b>3,566,646</b>	<b>198,313</b>	<b>3,764,959</b>
<b>Total directly attributable liabilities at 31<sup>th</sup> december 2023 (b)</b>	<b>2,373,919</b>	<b>46,491</b>	<b>2,420,410</b>
<b>Investment in tangible assets at 31<sup>th</sup> december 2023</b>	<b>178,326</b>	<b>45,990</b>	<b>224,316</b>
<b>Investment in intangible assets at 31<sup>th</sup> december 2023</b>	<b>54</b>	<b>0</b>	<b>54</b>

(a) Determinated without considering intra-sector eliminations.

(b) Total assets al liabilities are calculated after intercompany eliminations.



## 5. Notes to the Statement of Financial Position

### 5.1 Current assets

#### 5.1.1 Cash and cash equivalents

The following table shows a breakdown of cash and cash equivalents:

Cash and cash equivalents	06/30/2024	12/31/2023	Change
Bank and postal deposits	323,087	542,624	(219,537)
Cash	29	27	2
<b>Total</b>	<b>323,116</b>	<b>542,651</b>	<b>(219,535)</b>

Bank deposits are mainly attributable to Saras S.p.A. for EUR 244,822 thousand, Saras Trading S.A. for EUR 42,832 thousand and Saras Energia for EUR 19,025 thousand. There are no constraints or restrictions on such bank deposits.

For further details on the net financial position, please refer to the Report on Operations in the relevant chapter; the change in cash and cash equivalents is summarized in the statement of cash flows.

#### 5.1.2 Other financial assets

The table below shows the breakdown of other financial assets:

Other financial assets	06/30/2024	12/31/2023	Change
Derivative financial instruments	25,284	66,567	(41,283)
Deposits as collateral for derivatives	77,642	47,968	29,674
Other assets	28,371	0	28,371
<b>Total</b>	<b>131,297</b>	<b>114,535</b>	<b>16,762</b>

The item financial derivative instruments comprise the positive fair value of existing instruments as at the period-end date and the positive differentials realized and not yet received.

For further details, see 5.3.1.

The item derivative guarantee deposits include deposits requested by the counterparties with which the Group uses derivative instruments to guarantee open positions at the end of the period.

The item Other assets include a receivable from a factor company following the disposal of non-recourse receivables not yet collected as at 30 June 2024.

#### 5.1.3 Trade receivables

Trade receivables total EUR 511,764 thousand, increase by EUR 22,986 thousand compared with the previous financial year. The trend is mainly attributable to the increase in receivables relating to the "regime di essenzialità" of the subsidiary Sarlux S.r.l. partially offset by the reduction in oil sales volumes.

Please note that all customers are subject to a credit assessment (KYC), and in particular customers in the wholesale market are all insured by leading insurance companies. For comments on sales performance, please refer to the Report on Operations.

This item is shown net of the bad debt provision, which amounted to EUR 21,134 thousand, essentially unchanged from 31 December 2023.

#### 5.1.4 Inventories

The following table shows a breakdown of inventories and the changes that occurred during the period:

Inventories	06/30/2024	12/31/2023	Change
Raw materials and consumables	514,923	432,708	82,215
Unfinished products and semi-finished products	116,190	93,465	22,725
Finished products and goods	616,191	616,067	124
Spare parts and raw materials, consumables	107,754	104,847	2,907
<b>Total</b>	<b>1,355,058</b>	<b>1,247,087</b>	<b>107,971</b>

The increase in the value of oil inventories, towards December 2023, is attributable both to the increase in the quantities held in stock as at 30 June 2024 and to the increase in market prices.

In accordance with the accounting standards, the Group valued inventories at the lower of purchase or production cost and recoverable market value: this comparison showed the need to recognize inventories at a lower value for approximately EUR 10 million.

No inventories are used as collateral for liabilities.

### 5.1.5 Current tax assets

Current tax assets break down as follows:

Current Tax assets	06/30/2024	12/31/2023	Change
VAT credit	2,235	1,447	788
IRES credit	0	1,141	(1,141)
IRAP credit	22,902	22,163	739
Other amounts due from the tax authorities	2,192	2,491	(299)
<b>Total</b>	<b>27,329</b>	<b>27,242</b>	<b>87</b>

Other amounts due from the tax authorities include taxes for which reimbursement has been requested or provisionally paid.

### 5.1.6 Other assets

The balance breaks down as follows:

Other assets	06/30/2024	12/31/2023	Change
Accrued income	183	1,605	(1,422)
Prepaid expenses	19,213	9,183	10,030
Other short-term receivables	16,294	19,461	(3,167)
<b>Total</b>	<b>35,690</b>	<b>30,249</b>	<b>5,441</b>

Prepayments refer mainly to the early payment of insurance premiums and other payments and charges pertaining to the coming months.

Other short-term receivables at 30 June 2024 mainly refer to Energy Efficiency Certificates (TEE) claimed by the subsidiary Sarlux S.r.l. and shown net of the bad debt provision, advances paid to suppliers and credits relating to the legislation on biofuels.

## 5.2 Non-current assets

### 5.2.1 Property, plant and equipment

The following table shows the breakdown of property, plant and equipment:

Historical Cost	12/31/2023	Increase	Decrease	Write-downs	Reclassified	06/30/2024
Land and buildings	191,550	287	0	0	0	191,837
Plant and machinery	4,153,420	22,483	(8)	0	12,974	4,188,869
Industrial and commercial equipment	40,817	6	0	0	307	41,130
Other assets	741,791	35	(12)	0	3,121	744,935
Property, plant and equipment under construction	142,713	57,040	32	0	(17,112)	182,673
<b>Total</b>	<b>5,270,291</b>	<b>79,851</b>	<b>12</b>	<b>0</b>	<b>(710)</b>	<b>5,349,444</b>

Accumulated depreciation	12/31/2023	Depreciations	Use	Write-downs	Reclassified	06/30/2024
Land and buildings provision	112,295	1,775	0	0	3	114,073
Plant and machinery provision	3,382,335	75,729	0	0	(52)	3,458,012
Industrial and commercial equipment provision	36,176	739	0	0	1	36,916
Other assets	566,826	13,330	(12)	0	16	580,160
<b>Total</b>	<b>4,097,632</b>	<b>91,573</b>	<b>(12)</b>	<b>0</b>	<b>(32)</b>	<b>4,189,161</b>

Net Value	12/31/2023	Increase	Decrease	Depreciations	Write-downs	Reclassified	06/30/2024
Land and buildings	79,255	287	0	(1,775)	0	(3)	77,764
Plant and machinery	771,085	22,483	(8)	(75,729)	0	13,026	730,857
Industrial and commercial equipment	4,641	6	0	(739)	0	306	4,214
Other assets	174,965	35	0	(13,330)	0	3,105	164,775
Property, plant and equipment under construction	142,713	57,040	32	0	0	(17,112)	182,673
<b>Total</b>	<b>1,172,659</b>	<b>79,851</b>	<b>24</b>	<b>(91,573)</b>	<b>0</b>	<b>(678)</b>	<b>1,160,283</b>

The item "Land and buildings" chiefly include industrial buildings, offices and warehouses with a net value of EUR 24,561 thousand, office buildings in Milan and Rome belonging to the Parent Company with a net value of EUR 1,812 thousand and land largely relating to the Sarroch and Arcola sites respectively belonging to the subsidiary Sarlux S.r.l. and the subsidiary Deposito di Arcola S.r.l. with a

net value of EUR 51,390 thousand.

The item "Plant and machinery" mainly relates to the refining and combined cycle power plants at Sarroch.

"Industrial and commercial equipment" includes equipment relative to the chemical laboratory and the control room connected with refinement and various assets supplied as necessary to the production process.

The item "Other assets" mainly includes tanks and oil pipes for the movement of products and crude products of the group companies (Sarlux S.r.l., Saras Energia S.A. and Deposito di Arcola S.r.l.).

The item "Assets under construction and payments on account" reflect costs incurred mainly for investments in tanks and work to adapt and upgrade existing facilities, particularly for environmental, safety and reliability purposes. In addition, the item includes investments related to the "Helianto" project.

The increases for the period amounted to EUR 79,851 thousand and mainly relate to technological works carried out on the refining plants and the construction, by the subsidiary Sardeolica, of the 79MW photovoltaic plant (Helianto).

The main depreciation rates used, unchanged comparing to 2023, are as follows:

	for I.G.C.C.plant	per other fixed assets (annual base)
Industrial buildings (land and buildings)	until 2031	5.50%
Generic plant (plant and machinery)	until 2031	8.38%
Highly corrosive plant (plant and machinery)	until 2031	11.73%
Pipelines and tanks (plant and machinery)		8.38%
Thermoelectric power plant (plant and machinery)	until 2031	
Wind park (plant and machinery)		10.00%
Supplies (equipment plant and machinery)		25.00%
Electronic office equipment (other assets)		20.00%
Office furniture and machinery (other assets)		12.00%
Vehicles (other assets)		25.00%

The concession for the use of public lands on which some plants of the Sarroch refinery are located (wastewater treatment, desalination of sea water, blow-down, flare and landing stage), issued by the Port Authority of Cagliari, is valid until 31 December 2027.

The company, on the basis of the provisions of IAS 36 and the recommendations of the main regulatory authorities, has constantly monitored the presence of market indicators that could bring out any risks on the recoverability of the main financial statements. Given the Group's final results in the first half of 2024, the most recent scenarios of the oil and electricity market for the second half of 2024 and for the financial year 2025 and the performance of the financial markets, for the purposes of preparing the condensed half-year consolidated financial statements as at 30 June 2024, the company has updated the sensitivity analysis on the impairment test carried out as at 31 December 2023 with reference to the CGU Industrial&Marketing on the based on the most recent oil and power market scenarios. From the sensitivity analysis carried out, the company confirmed the results of the test carried out as of December 31, 2023.

Moreover, following the Transaction described in the Introduction and relating to the purchase agreement, finalized on June 18, 2024, between the Moratti family and the Vitol Group, it can be inferred that, for the purposes of the Impairment Test, the fair value of the transaction represents an Indication of value that further supports the set of recorded values of the Saras CGUs, and therefore confirms the recognition of the total value of Saras with respect to the Group book values.

## 5.2.2 Intangible assets

The following tables show the changes in intangible assets:

Historical Cost	12/31/2023	Increase	Decrease	Write-downs	Reclassified	06/30/2024
Industrial patent and original work rights	69,306	9	(55)	0	713	69,973
Concessions, licenses trademarks and similar rights	24,511	0	0	0	0	24,511
Goodwill and intangible assets with indefinite life	20,937	0	0	0	0	20,937
Intangible Assets	523,704	0	(336)	0	147	523,515
Intangible assets under construction	734	0	0	0	0	734
<b>Total</b>	<b>639,192</b>	<b>9</b>	<b>(391)</b>	<b>0</b>	<b>860</b>	<b>639,670</b>

Accumulated depreciation	12/31/2023	Depreciations	Use	Write-downs	Reclassified	06/30/2024
Industrial patent and original work rights	62,106	2,606	(55)	0	4	64,661
Concessions, licenses trademarks and similar rights	14,564	30	0	0	407	15,001
Intangible Assets	523,600	427	(336)	0	(261)	523,430
<b>Total</b>	<b>600,270</b>	<b>3,063</b>	<b>(391)</b>	<b>0</b>	<b>150</b>	<b>603,092</b>

Net Value	12/31/2023	Increase	Decrease	Depreciations	Write-downs	Reclassified	06/30/2024
Industrial patent and original work rights	7,200	9	0	(2,606)	0	709	5,312
Concessions, licenses trademarks and similar rights	9,947	0	0	(30)	0	(407)	9,510
Goodwill and intangible assets with indefinite life	20,937	0	0	0	0	0	20,937
Intangible Assets	104	0	0	(427)	0	408	85
Intangible assets under construction	734	0	0	0	0	0	734
<b>Total</b>	<b>38,922</b>	<b>9</b>	<b>0</b>	<b>(3,063)</b>	<b>0</b>	<b>710</b>	<b>36,578</b>

Amortization of intangible assets totaled EUR 3,063 thousand and was calculated using the annual rates shown below.

Industrial patent rights and intellectual property rights	20%
Concessions, licences, trademarks and similar rights	3%-33%
Other intangible assets	6%-33%

There are no intangible assets with a finite useful life held for disposal. The content of the main items is shown below.

### Concessions, licenses, trademarks and similar rights

The balance of this item mainly relates to the surface rights acquired by the subsidiary Sardeolica on the land on which the Ulassai wind farm is located, the amortization of which will end in 2035.

### Goodwill and intangible assets with indefinite life

This item relates mainly to the goodwill recognized for the subsidiary Sardeolica S.r.l. (EUR 20,937 thousand), paid for the purchase of the subsidiary Parco Eolico di Ulassai S.r.l. (merged by incorporation into Sardeolica): this goodwill is justified by the projection of future cash flows expected by the subsidiary Sardeolica S.r.l. over a time horizon extended until the term of the concessions obtained thereby. The recoverability of the value of goodwill was subject to an impairment test as of 31st December 2023, which did not identify any critical issues. As of 30th June 2024, no internal or external indicators have emerged that would suggest the occurrence of an impairment loss (capitalization and final results of the subsidiary as of 30th June 2024).

### Intangible assets under construction and payments on account

The item includes investments underway to purchase software licenses.

### 5.2.3 Right-of-use of leased assets

The Saras Group has acquired rights-of-use of third-party assets, mainly intended for the use of:

- functional areas that are essential to the pursuit of its core business (state-owned areas adjacent to the sites of Sarroch and Arcola, areas on which the Ulassai wind farm stands, etc.), of which it was unable or did not consider it appropriate to purchase ownership;
- properties used for executive offices;
- capital assets and plants built and operated by industrial partners, for which the Group did not have the adequate technological know-how to allow for their development and operation.

Changes to rights-of-use of leased assets are shown in the tables below:

Historical Cost	12/31/2023	Increase	Decrease	Write-downs	Other charges	06/30/2024
Leased land and buildings	50.176	726	(56)	0	0	50.846
Leased plant and equipment	11.887	0	0	0	0	11.887
Other leased assets	22.972	0	0	0	0	22.972
<b>Total</b>	<b>85.035</b>	<b>726</b>	<b>(56)</b>	<b>0</b>	<b>0</b>	<b>85.705</b>

Accumulated depreciation	12/31/2023	Depreciations	Use	Write-downs	Other charges	06/30/2024
Leased land and buildings provision	26.079	3.010	(56)	0	0	29.033
Leased plant and machinery provision	7.527	727	0	0	0	8.254
Other assets	12.949	920	0	0	0	13.869
<b>Total</b>	<b>46.555</b>	<b>4.657</b>	<b>(56)</b>	<b>0</b>	<b>0</b>	<b>51.156</b>

Net Value	12/31/2023	Increase	Decrease	Depreciations	Write-downs	Other charges	06/30/2024
Leased land and buildings	24.097	726	0	(3.010)	0	0	21.813
Leased plant and equipment	4.360	0	0	(727)	0	0	3.633
Other leased assets	10.023	0	0	(920)	0	0	9.103
<b>Total</b>	<b>38.480</b>	<b>726</b>	<b>0</b>	<b>(4.657)</b>	<b>0</b>	<b>0</b>	<b>34.549</b>

The balance at 30 June 2024, of EUR 34,549 thousand, relates to the application of the standard IFRS 16 - Leases. The registration essentially refers to the following types of contracts:

- 1) Concessions, surface rights and similar: these are mainly concessions of areas on which part of the production site of Sarroch and the oil depots of Arcola and Cartagena are located, as well as the area on which the Ulassai wind farm was built and operates;
- 2) Plants: these are mainly contracts stipulated by the subsidiary Sarlux with suppliers for the construction and operation of some plants within the production site of Sarroch;
- 3) Company car fleets: these are long-term lease contracts on company cars used both within the industrial site of Sarroch and by employees in various managerial and commercial sites;
- 4) Leases of buildings to be used as management and commercial premises.

The decrease compared to the end of the previous year, amounting to EUR 3,931 thousand, refers mainly to the depreciation charge recorded in the period.

### 5.2.4 Other equity investments

Other equity investments break down as follows:

Other equity investments	06/30/2024	12/31/2023	Change
La Spezia Utilities Consortium	7	7	0
Sarda Factoring	495	495	0
Sardhy Green Hydrogen	243	243	0
<b>Total</b>	<b>745</b>	<b>745</b>	<b>0</b>

There are no changes compared to the previous year.

### 5.2.5 Deferred tax assets

The item as at 30 June 2024 amounted to 70,439 thousand Euros. With regard to the increase compared with the previous year, amounting to 49,627 thousand Euros, please refer to paragraph 6.4.

### 5.2.6 Other financial assets

At 30 June 2024, this item amounts to EUR 3,196 thousand (EUR 3,812 thousand in the previous year) and relates to medium/long-term receivables.

## 5.2.7 Other assets

The item "Other assets" includes the receivables from the tax authorities of EUR 38,654 thousand recorded following the conclusion, on 23 March 2023, of the tax assessment settlement with the Cagliari Revenue Agency.

Due to the particular nature of the tax procedure, this settlement provides for the right to a refund of the amount paid in the event of an acquittal sentence in criminal proceedings, and therefore, pending the conclusion of the proceedings, the Group has recognized under the item "other non-current assets" the credit for the entire amount (in terms of tax, penalties and interest). The corresponding payable to the Revenue Agency, divided into short-term and long-term portions, has been recognized in "tax payables" and "other non-current liabilities", respectively. For more details, see paragraph 7.1.

## 5.3 Current liabilities

### 5.3.1 Short-term financial liabilities

The following table provides a breakdown of short-term financial liabilities:

Short - term financial liabilities	06/30/2024	12/31/2023	Change
Current bank loans	341.696	88.435	253.261
Bank current accounts	30.275	2.834	27.441
Financial derivatives	22.049	13.004	9.045
Other short-term financial liabilities	57.651	44.720	12.931
<b>Total</b>	<b>451.671</b>	<b>148.993</b>	<b>302.678</b>

The item "Current bank loans" includes the short-term portion of bank loans granted to the Group. These loans are measured using the amortized cost method.

In particular:

- During the month of December 2020, SARAS signed a EUR 350 million loan contract with 70% of the amount backed by SACE guarantees issued under the Italy Guarantee program and intended to strengthen the capital structure of the Company. The expiry of the loan in question is scheduled for September 2024.
- In May 2022, Saras signed a new EUR 312.5 million loan, 70% of which was backed by a guarantee issued by SACE under the "Support- bis Decree Law", with the aim of reshaping the Group's debt maturity profile. The loan was disbursed in a lump sum and the repayment plan provides for a 36-month grace period and repayment in 12 constant quarterly installments starting on 30 June 2025 and ending on 31 March 2028, the loan's maturity date.

As of June 30 2024 the long term portion of the above loans have been reclassified in the line short-term financial liabilities. Indeed, the transfer of ownership of 35.019% of Saras S.p.A. shares by the companies Massimo Moratti S.p.A. di Massimo Moratti, Angel Capital Management S.p.A. and Stella Holding S.p.A. to the company Varas S.p.A., wholly controlled by the Vitol Group, which occurred on 18 June 2024, resulted in a "change of control" event pursuant to the existing financing contracts following which the financing banks can exercise the option to request the early repayment of loans disbursed.

During the month of May, the Company requested the financing banks for their formal approval for this change of control and consequently for the maintenance of the credit lines granted.

As of June 30 2024 Saras S.p.A. had not yet been received the waiver and consequently has reclassified as mentioned above. However, it is highlighted that on 22 July, for the €305M RCF line, and on 23 July 2024, for the two loans secured by SACE, the Company received formal notice that the lending banks had unanimously given their consent to the request made. This consent is conditional on a contractual amendment to the definition of "Shareholders" currently being formalized between the parties.

It should be noted that the financial parameters on existing loans subject to review at 30 June 2024 are complied with.

The terms and conditions of the loans are shown in the table below (amounts in EUR million):

Values expressed in Millions of EUR	loan acquisition / renegotiation	Amount of the original debt	Base Rate	Contractual Maturity	Balance as of 12/31/2023	Balance as of 06/30/2024	Maturities	
							1 year	1 > 5 years
<b>Saras SpA</b>								
Sace Loan	December 2020	350	0.95%	set-24	86,7	29,0	29,0	-
Sace Loan	May 2022	312,5	1,70%	mar-28	313,0	312,7	312,7	-
<b>Energia Alternativa Srl</b>								
	January 2017	16	2,5% + 6M Euribor	giu-26	2,3	-	-	-
<b>Total liabilities to banks for loan</b>					<b>402,0</b>	<b>341,7</b>	<b>341,7</b>	<b>-</b>

"Bank current accounts" includes the balance of the utilized credit lines as well as the "hot money" transactions used by the Group in the normal course of business.

The item derivative financial instruments include both the negative fair value of existing derivative financial instruments as of the period-end date and the negative differentials realized and not yet paid.

The following table presents the assets and liabilities measured at fair value at 30 June 2024, broken down by type of underlying asset:

Financial derivatives	06/30/2024	06/30/2024	31/12/2023	12/31/2023
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	1,521	1,207	1,578	6,522
Fair value derivatives on commodities	15,237	20,608	30,662	5,741
Fair value forward purchases and sales on exchange rates	1,253	234	0	741
Fair value forward purchases and sales on CO2 allowances	7,273	0	34,327	0
<b>Total</b>	<b>25,284</b>	<b>22,049</b>	<b>66,567</b>	<b>13,004</b>

"Other short-term financial liabilities" essentially include receipts related to receivables factored without recourse and without notification, received from customers and that have yet to be forwarded to factors.

For further details, see the cash flow statement.

### 5.3.2 Trade and other payables

The table below shows a breakdown of this item:

Trade and other payables	06/30/2024	12/31/2023	Change
Advances from customers	39,342	26,261	13,081
ST payables to suppliers	1,316,454	1,391,445	(74,991)
<b>Total</b>	<b>1,355,796</b>	<b>1,417,706</b>	<b>(61,910)</b>

"Advances from customers" relate to payments on account received from customers for the supply of oil products.

The balance of "Trade payables" essentially includes payables for crude oil supplies. The decrease compared to the previous financial year is mainly due to the decrease in quantities purchased during the last month.

### 5.3.3 Current tax liabilities

This item breaks down as shown below:

Current tax liabilities	06/30/2024	12/31/2023	Change
Payables for VAT	36.481	40.652	(4.171)
IRES payables (and income tax of foreign firms)	26.509	9.104	17.405
IRAP payables	0	2.966	(2.966)
Other tax liabilities	132.046	65.494	66.552
<b>Total</b>	<b>195.036</b>	<b>118.216</b>	<b>76.820</b>

"IRES payables" includes the payable for current taxes less payments on account and the remaining debt referred to the "special amendment" described in point 6.4.

The item "Other tax payables" includes payables for excise duties on products released for consumption by the Parent Company Saras S.p.A. (EUR 115,197 thousand) and by the subsidiary Saras Energia SAU (EUR 1,470 thousand) and the short-term portion of the payable to the "Agenzia delle Entrate" regarding the settlement agreement already described in sections 5.2.7 and 7.1 amounting to EUR 9,555 thousand.

### 5.3.4 Other liabilities

The breakdown of other liabilities is shown below:

Other liabilities	06/30/2024	12/31/2023	Change
Payables employee benefit and social security	9.381	15.690	(6.309)
Payables due to employees	31.714	40.059	(8.345)
Payables to others	24.589	21.360	3.229
Accrued liabilities	1.009	521	488
Deferred income	2.957	3.494	(537)
<b>Total</b>	<b>69.650</b>	<b>81.124</b>	<b>(11.474)</b>

The item "Payables due to personnel" includes salaries not yet paid for June, the portion of additional monthly payments accrued, performance bonuses for the achievement of business targets.

## 5.4 Non-current liabilities

### 5.4.1 Long-term financial liabilities

This item breaks down as shown below:

Long term financial liabilities	06/30/2024	12/31/2023	Change
Non-current bank loans	0	313.609	(313.609)
Other long-term financial liabilities	27.812	31.636	(3.824)
<b>Total</b>	<b>27.812</b>	<b>345.245</b>	<b>(317.433)</b>

As of June 30 2024 the long term portion of the loans have been reclassified in the line short-term financial liabilities. The details are described in the paragraph 5.3.1 "Short-term financial liabilities".

During the month of June 2024, the subsidiary Energia Alternativa has repaid the loan in advance for the whole amount of EUR 2,3 million.

The item "Other long-term financial liabilities" mainly includes the financial debt relating to contracts recognized in compliance with the provisions of IFRS 16.

### 5.4.2 Provisions for risks and charges

Provisions for risks and charges break down as follows:

Provisions for risk and charges	12/31/2023	Provision	Use	Other charges	06/30/2024
Provision for decommissioning plants	29,955	0	0	0	29,955
Provision for remediation costs	11,290	0	0	0	11,290
Provision for CO2 allowances	231,211	119,010	(104,828)	0	245,393
Other provisions for risks and charges	4,066	332	(1,511)	0	2,887
<b>Total</b>	<b>276,522</b>	<b>119,342</b>	<b>(106,338)</b>	<b>0</b>	<b>289,526</b>

The provision for decommissioning plants relates to the future costs of decommissioning plants and machinery, which are accounted for wherever there is a legal and implicit obligation to be met in this regard.

The provision for remediation costs refers to land reclamation activities on the industrial site that the subsidiary Sarlux will have to bear in subsequent years.

The provision for CO2 allowances (EUR 245,393 thousand) was accrued pursuant to Legislative Decree no. 216 of 4 April 2006, which introduced limits on CO2 emissions from plants. If these limits are exceeded, allowances covering the excess amount of CO2 must be purchased on the appropriate market. The provision relates to the portion of allowances, necessary to meet the obligation for the current year, not yet purchased at 30 June 2024; this provision was partially offset by the positive effect deriving from the adjustments of the shares pertaining to the year 2023, not yet purchased, at current market prices.

"Other provisions for risk and charges" mainly refer to provisions accrued in respect of contingent legal and tax liabilities.



### 5.4.3 Provisions for employee benefits

Changes in the provision of "Post-employment benefits" were as follows:

Provisions for employee benefits	06/30/2024	12/31/2023	Change
Post-employment benefits	6,829	5,967	862
<b>Total</b>	<b>6,829</b>	<b>5,967</b>	<b>862</b>

Post-employment benefits are governed by Article 2120 of the Italian Civil Code and reflect the estimated amount that the company will be required to pay employees when they leave their employment. The liability accrued at 31 December 2006 was determined using actuarial methods, in compliance with IAS 19. The impacts of actuarial evaluation are shown in the Comprehensive Income.

### 5.4.4 Deferred tax liabilities

Deferred tax liabilities, totaling EUR 3,730 thousand, relate to the foreign subsidiaries.

### 5.4.5 Other liabilities

Other liabilities amount to EUR 17,854 thousand and almost entirely include the long-term portion of the payable to the Revenue Agency in relation to the settlement agreement already described in sections 5.2.7 and 7.1.

### 5.4.6 Shareholders' equity

Shareholders' equity is comprised of the following:

Total shareholders' equity	06/30/2024	12/31/2023	Change
Share Capital	54.630	54.630	0
Legal reserve	10.926	10.926	0
Other reserves	1.136.830	965.056	171.774
Net results	108.741	313.937	(205.196)
<b>Total</b>	<b>1.311.127</b>	<b>1.344.549</b>	<b>(33.422)</b>

#### Share capital

At 30 June 2024, the fully subscribed and paid-up share capital of EUR 54,630 thousand was represented by 951,000,000 ordinary shares with no par value.

#### Legal reserve

The legal reserve, which is unchanged from the previous year, is equal to one-fifth of the share capital.

#### Other reserves

This item totals EUR 1,136,830 thousand, up by a net EUR 171,774 thousand compared with the previous year-end balance. The net increase was the combined result of:

- allocation of the result of the previous year (profit of EUR 313,937 thousand);
- a decrease due to the allocation of dividends, approved by the shareholders' meeting on 29 April 2024, in the amount of EUR 142,650 thousand;
- positive effect of the translation of foreign currency financial statements by foreign subsidiaries for EUR 487 thousand;

In accordance with IAS 1, paras. 1 and 97, it is noted that no equity transactions took place with shareholders acting in their capacity as owners of the company.

#### Net result

Profit for the period amounted to EUR 108,741 thousand.

## 6. Notes to the Income Statement

### 6.1 Revenues

#### 6.1.1 Revenues from core business

The "Revenues from core business" break down as follows:

Revenues from ordinary operations	06/30/2024	06/30/2023	Change
Revenues from sales and services	5,385,152	4,983,325	401,827
Sale of electricity	446,655	402,421	44,234
Other remuneration	3,254	2,235	1,019
<b>Total</b>	<b>5,835,061</b>	<b>5,387,981</b>	<b>447,080</b>

The increase in the item "Revenues from sales and services" is mainly due to the rise in the sales volumes of oil products recorded during the first half 2024 compared to the first half of 2023. For a more in-depth analysis, please refer to the Report on Operations.

Revenues from the sale of electricity mainly included those related to the gasification plant (EUR 408,662 thousand), those related to the sale of energy within the Internal User Networks - RIU (EUR 22,619 thousand) and those related to the wind farms of the subsidiaries Sardeolica, Energia Verde ed Energia Alternativa (EUR 14,962). For more details, please refer to the contents of the Report on Operations.

The revenues of the subsidiary Sardeolica as at 30 June 2023 took into account the Decree Law no. 4 of 27 January 2022, the so called "TER Support Decree", and the 2023 Budget Law, which established, inter alia, a "compensation" mechanism for non-incentivized renewable sources under which producers had to repay the difference between the prices that occurred on the market and "an equitable remuneration", referred to the historical average of the market area prices, from the start-up of the plant until 31 December 2020.

#### 6.1.2 Other income

The following table shows a breakdown of "Other income":

Other income	06/30/2024	06/30/2023	Change
Compensation for storage of mandatory stocks	9,066	4,380	4,686
Transfer of miscellaneous materials	87	124	(37)
Grants	1,707	1,385	322
Chartering	5,127	2,374	2,753
Claims and compensation	256	301	(45)
Other revenues	56,381	20,383	35,998
<b>Total</b>	<b>72,624</b>	<b>28,947</b>	<b>43,677</b>

The item Other revenues mainly includes the amount, equal to EUR 44,143 thousand, recognized to the subsidiary Sarlux following the recalculation of the "Costo Evitato di Combustibile" (CEC) component for the period 2010-2012 pursuant to the CIP6-92 provision, in compliance with judgment number 10089/22 of the Council of State. The full amount was collected in April.

### 6.2 Costs

The following table shows a breakdown of the main costs:

#### 6.2.1 Purchases of raw materials and consumables

Purchases of raw materials and consumables	06/30/2024	06/30/2023	Change
Purchase of raw material	3,888,806	3,239,604	649,202
Purchase of semi-finished products	118,306	42,078	76,228
Purchase of consumables	44,608	67,699	(23,091)
Increase in property, plant and equipment	(7,170)	(17,917)	10,747
Purchase of finished products	990,004	1,144,954	(154,950)
Change in inventories	(107,833)	66,523	(174,356)
<b>Total</b>	<b>4,926,721</b>	<b>4,542,941</b>	<b>383,780</b>

The item mainly consists of the purchase costs of raw materials and finished products. For more details, please refer to the contents of the Report on Operations.

In accordance with the accounting standards, the Group valued inventories at the lower of purchase or production cost and

recoverable market value: this comparison showed the need to recognize inventories at a lower value for EUR 10 million.

## 6.2.2 Costs of services and sundry costs

Cost of services and sundry costs	06/30/2024	06/30/2023	Change
Costs for services	476,188	463,977	12,211
Capitalizations	(33,236)	(58,580)	25,344
Derivatives on crude oil and CO2	43,505	(58,551)	102,056
Costs for use of third-party assets	4,695	4,436	259
Provisions for risks	119,342	142,787	(23,445)
Write-downs of trade receivables	1,314	63	1,251
Other operating costs	11,734	17,967	(6,233)
<b>Total</b>	<b>623,542</b>	<b>512,099</b>	<b>111,443</b>

Costs for services mainly comprise maintenance, rentals, transport, electricity and other utilities, as well as bank charges. The increase in the item is mainly due to energy costs as a result of the non-benefit of the tax credit recognized to energy-intensive companies until 30th June of the previous year.

For more details, please refer to the Report on Operations.

The "Capitalization" item mainly refers to turn-around maintenance costs capitalized during the period.

The item "Provisions for risks" mainly includes the provision for charges related to the implementation of Directive 2003/87/EC (Emissions Trading). For more details, please refer to paragraph 5.4.2. Provisions for risks and charges.

"Other operating costs" chiefly comprise indirect taxes (municipal tax on property and air emission taxes) and membership fees.

## 6.2.3 Personnel expense

The breakdown of "Personnel expense" is as follows:

Personnel costs	06/30/2024	06/30/2023	Change
Salaries and wages	62,956	56,611	6,344
Increases in fixed assets for internal work	(4,789)	(2,104)	(2,685)
Social security contributions	16,002	15,949	53
Post-employment benefits	4,338	4,317	21
Other long-term costs and incentives	2,738	4,115	(1,376)
Remuneration to the Board of Directors	951	1,033	(82)
<b>Total</b>	<b>82,196</b>	<b>79,921</b>	<b>2,275</b>

## 6.2.4 Depreciation/amortization and write-downs

"Amortization/depreciation" are shown below:

Depreciation/ Amortization and write-downs	06/30/2024	06/30/2023	Change
Amortization of intangible assets	3,063	3,153	(90)
Depreciation of property, plant and equipment	91,573	86,692	4,881
<b>Total</b>	<b>94,636</b>	<b>89,845</b>	<b>4,791</b>

Depreciation of leased items	06/30/2024	06/30/2023	Change
Depreciation of leased property, plant and equipment	4,657	4,542	115
<b>Total</b>	<b>4,657</b>	<b>4,542</b>	<b>115</b>

The item "Depreciation of leased items" includes the depreciation for the period calculated in accordance with IFRS 16.

### 6.3 Financial income and charges

A breakdown of financial income and charges is shown below:

Financial Income	06/30/2024	06/30/2023	Change
Bank interest income	1.264	1.481	(217)
Unrealized differences on derivatives	389	0	389
Realized differences on derivatives	2.395	2.654	(259)
Profit on exchange rates	38.521	108.211	(69.690)
<b>Total</b>	<b>42.569</b>	<b>112.346</b>	<b>(69.777)</b>

Financial charges	06/30/2024	06/30/2023	Change
Unrealized differences on derivatives	(1.207)	(2.652)	1.445
Realized differences on derivatives	(295)	(2.997)	2.702
Interest expense on loans and other financial expenses	(27.710)	(18.331)	(9.379)
Interest on right of use on leases	(254)	(206)	(48)
Net exchange rate differences	(55.021)	(102.744)	47.723
<b>Total</b>	<b>(84.487)</b>	<b>(126.930)</b>	<b>42.443</b>

The table below shows net income/charges by type:

Net financial income and charges	06/30/2024	06/30/2023	Change
Net interest	(26.700)	(17.056)	(9.644)
Risultato degli strumenti finanziari derivati, di cui:	1.282	(2.995)	4.277
<i>Realized</i>	2.100	(343)	2.443
<i>Fair value of open positions</i>	(818)	(2.652)	1.834
Net exchange rate differences	(16.500)	5.467	(21.967)
<b>Total</b>	<b>(41.918)</b>	<b>(14.584)</b>	<b>(23.057)</b>

The increase in net interest was affected by the sharp rise in interest rates applied to current credit lines. Note that the item other financial charges include interest on factors.

The entire fair value of the derivatives in place on 30 June 2024 refers to the exchange rate and interest rate hedges, as well as speculative transactions.

As shown, the changes mainly refer to net exchange rate differences, as well as gains/losses on derivative financial instruments. In this regard, please note that the derivative financial instruments being considered relate to hedging transactions for which hedge accounting has not been adopted.

### 6.4 Income taxes

Income taxes are summarized below:

Income taxes	06/30/2024	06/30/2023	Change
Current taxes	74.009	53.189	20.820
Net deferred tax liabilities (assets)	(48.735)	(2.516)	(46.219)
<b>Total</b>	<b>25.274</b>	<b>50.673</b>	<b>(25.399)</b>

Current taxes consist of IRAP and IRES calculated on the taxable income of the consolidated companies.

Current taxes and deferred tax assets as at 30 June 2024 include the effect of the realignment of tax recoveries mainly on the CO2 provision referring to previous years. This realignment was the subject of a "special amendment" presented in May 2024 which resulted in a net positive impact of 2.5 million of Euro on the half-year result and a payout of approx. 43 million euros, including penalties and interest, to be paid in 4 installments by the end of 2024.

As at 30 June 2024, two installments had been paid for a total amount of 21,394 thousand

## 7. Other information

For information on subsequent events after the end of the reporting period, please refer to the relevant section of the Report on Operations.

### 7.1 Main legal actions pending

The Group companies are involved in legal disputes filed by different plaintiffs for various reasons. The outcome of some of these disputes is hard to predict. Although the decisions made by the ordinary and administrative courts were contradictory with regard to the alleged violations, the Company assumes that probability of any liability is normally remote or possible; where instead the liability was deemed probable, appropriate accruals were made to the provision for risks.

- 1) The Company Saras S.p.A. was subjected to investigations in the context of criminal proceedings no. 9603/2021 R.G.N.R. mod. 21 D.D.A.T., pending at the Cagliari District Attorney - District Anti-Mafia and Terrorism Directorate. The claim against Saras - pursuant to Art. 25-octies of Italian Legislative Decree no. 231/2001 - concerned the administrative offense deriving from the crime of "use of money, goods or benefits of unlawful origin" (pursuant to Art. 648-ter of the Italian Criminal Code) alleged against some of its managers. On 28th March 2022, the Company and the managers involved in the investigations related to the purchase of crudes of Kurdish origin were notified of the notice of preliminary hearing date before the Cagliari GUP [Preliminary Hearing Judge] for 16th June 2022. Since it became aware of the existence of the criminal proceedings, Saras S.p.A. has issued seven press releases, in which it has made its position known to the market, refuting all the accusations (see: press releases dated 8/10/2020, 9/10/2020, 24/1/2021, 26/2/2022, 28/3/2022, 28/11/2022, 27/01/2023 available on the Company's website).

On 13th December 2022, the Preliminary Hearing Judge of the Court of Cagliari filed judgment no. 1162/22, declaring "case dismissed" against all Saras managers as well as against the Company itself "because there is no substance to the fact".

The criminal court's judgment was appealed by the prosecutor's office on 13th January 2023, and the hearing before the Court of Appeals was held on 5th March 2024. The Public Prosecutor briefly presented their indictment. The Court adjourned, for the discussion of the defense, to the hearing of 21st May 2024. On June 11, 2024, the Appeal Court of Cagliari confirmed judgment no. 1162/22 filed by the Preliminary Hearing Judge, declaring "case dismissed" against all Saras managers as well as against the Company itself "because there is no substance to the fact". On July 9, 2024, the Public Prosecutor's Office of Cagliari filed an appeal before the court of Appeal of Cagliari against the ruling of June 11, 2024.

The judgment was not appealed with regard to the Company's acquittal of the offense under Legislative Decree no. 231/2001.

On 8th August 2022, following the aforementioned indictment, the Tax Police served Saras S.p.A. with a Report of Findings in which it challenged the non-deductibility of the purchase cost and refining cost of crudes of Kurdish origin for the years 2015, 2016 and 2017.

Moreover, in this context, on 9th December 2022, the Tax Authorities - Regional Directorate of Sardinia issued two invitations to be cross-examined (for IRES and IRAP) challenging the non-deductibility of the alleged criminal costs pertaining to 2016.

The tax dispute is based on the non-deductibility of criminal costs (Article 14, paragraph 4-bis of Law no. 537/1993). The regulation envisages the recovery for taxation of the cost of the goods and services used directly to commit the challenged offense, with a right to refund of any taxes paid in the event that a final judgment of acquittal or non-prosecution on grounds other than the statute of limitations is rendered in the criminal proceedings. The aforementioned right to a refund applies not only in relation to provisional payments, but also to those made as a result of the adoption of one of the deflationary tools provided by tax regulations (acquiescence, settlement, conciliation, etc.).

During the cross-examination, the Company and the Revenue Agency agreed to a tax settlement limited to the cost of refining crudes of Kurdish origin for the 2016 tax year, and the parties also agreed that the same settlement criteria would have been applied in case of issuance of tax assessments related to 2015.

The Company decided to conclude a settlement in the terms stated above because of the special nature of the tax proceedings in question, which provides, according to the relevant provision, as expressly interpreted by the Revenue Agency, the right to a refund of the amount paid in the event of an acquittal in a criminal trial.

Moreover, as a result of the settlement, the Company significantly reduces the overall dispute and also avoids the risk of provisional collection while the case is pending. On 23rd March 2023, the Company concluded a tax settlement which amounts for the year 2016 to approximately EUR 35 million (in terms of tax, penalties and interest). In July 2024, according to the same criteria previously agreed, it concluded tax settlement for 2015 which amounts to approx. 41 million euros (in terms of tax, penalties and interest).

Moreover, by opting for installments over four years of the amounts resulting from the settlement and being a provisional measure, the Company can better plan for the limited cash outflow (with a maximum quarterly installment of about EUR 4.7 million, prudentially including the amounts due for 2015 and 2016, plus legal interest) pending the conclusion of the proceedings and the reimbursement of the amount already paid.

As of June 30 2024, the Company paid 5 installments for a total of approx. 11 million euros on the assessment of the year 2016 and, in light of the appeal to the Court of Cassation filed on 9 July by the Public Prosecutor's Office of Cagliari, on 25 July 2024 before the Regional Directorate of the Revenue Agency, signed the application for membership relating to the year 2015, confirming the amount of approx. 41 million euros in 16 quarterly installments.

Based on a careful evaluation of the judgment issued in the criminal proceedings, it is considered likely that the latter will end with the final acquittal of the investigated managers.

As a result, it is believed that the potential for the tax risk described here - in the amount of approximately EUR 75 million - leading to a final disbursement is considered remote, based on the opinion of independent tax and criminal experts.

- 2) During 2023, the Company Saras S.p.A. (together with the consolidated companies Sarlux, Sardeolica and Energia Alternativa) submitted several requests for reimbursement relating to:
- Extraordinary extra-profit contribution established by Article 37 of Italian Law Decree 21/2022 and, in the alternative, IRES attributable to the non-deductibility of the Contribution from the tax base;
  - Solidarity contribution pursuant to Article 1, paragraphs 115 to 119, Law no. 197/2022 and, in the alternative, IRES attributable to the non-deductibility of the Contribution from the tax base;
  - IRES relating to the partial non-deductibility of the IMU (municipal property tax) on operating properties for the period 2018.

With regard to the requests relating to extraordinary and solidarity contributions, the Company had various complaints, i.e. that the rules establishing the contributions were incompatible with various constitutional provisions deemed relevant (Articles 3, 23, 53, 41, 42 and 117 of the Constitution), and complained from other perspectives, regarding Regulation 2022/1854/EU which, as is known, envisaged a European solidarity contribution that the various States could have adopted if they had not already provided "equivalent measures".

As a mere alternative to the declaration of unconstitutionality of the Contributions, the Company asked for their deductibility for income taxes purposes to be recognized, complaining, also in this case, about the unreasonableness of a provision (the one that establishes non-deductibility) that is in violation of Articles 3 and 53 of the Constitution in relation to the choice of the legislator to tax the business income net of the costs necessary and inherent to its production (including any taxes for which no compensation is possible).

The request for the reimbursement of IRES calculated on the portion of IMU considered non-deductible (80%) from the business income in the 2018 tax period is also based on the same reason just indicated.

For the sake of completeness, note that the Extraordinary extra-profit contribution paid by Saras amounts to EUR 76.9 million, that of Sarlux to EUR 9.4 million and that of Sardeolica to EUR 9.8 million. The request for reimbursement was notified to the competent Office on 7th November 2023 and, on 19th December 2023, the DRE served a deed of refusal currently under appeal.

With regard to the Solidarity Contribution, Saras paid EUR 162.2 million, Sardeolica EUR 6.9 million and Energia Alternativa EUR 738 thousand. The related request for reimbursement was submitted on 11th December 2023 and, on 17th January the DRE served the relevant express deeds of refusal, currently under appeal.

The IRES on the IMU relating to operating properties paid by Saras in relation to the position of Sarlux (consolidated) and today requested as a reimbursement amounts, for 2018, to EUR 1.2 million, while that for the years 2019, 2020 and 2021 totals approximately EUR 1.9 million. The application for 2018 was submitted by the Company in June 2023. The Sardinia DRE served an express deed of refusal and Saras lodged the associated judgment before the Tax Justice Court of Cagliari.

The application for the years 2019, 2020 and 2021 was instead notified to the Regional Revenues Department on 7th February 2024. It was also denied, and the related appeals were notified by the Company on 28 June 2024.

That said, on June 4 2024, the Constitutional Court declared, with ruling no. 111/2024, the constitutional illegitimacy of the partial provisions concerning the tax basis of the Extraordinary Contribution for extra-revenues. In particular, the first ruling of the Court, while preserving the legitimacy of the contribution in itself and the methods for determining its tax basis, censured the provision to the extent that it does not allow to deduct the excise duty already paid to the State, and shown in the invoice's receivable, from total transactions.

In view of this, the Group is continuing the appeal against the refusal of repayment by the Revenue Agency, insisting on a recalculation of the same on the basis of the indications provided by the Constitutional Court, and evaluating the extensibility of the principles set out by it also apart from the contribution paid by Sarlux and Sardeolica.

The next hearing is scheduled for September 27 2024.

With reference to the deductibility of IMU from IRES in relation to the 2018 tax year, at the request of Saras, by order of May 29 2024, the Tax Court of Cagliari referred the matter to the Constitutional Court.

- 3) On 11th July 2023, the Italian Competition Authority (the "Authority") initiated proceedings I/864 ("Proceedings") against the companies ENI S.p.A., Esso Italiana S.r.l., Saras S.p.A., Kuwait Petroleum Italia S.p.A., Tamoil Italia S.p.A., Repsol Italia S.p.A., Italiana Petroli S.p.A. and Iplom S.p.A. (jointly, also the "Parties"), aimed at ascertaining the existence of possible violations of Article 101 of the Treaty on the Functioning of the European Union ("TFEU").

In the start-up measure ("Measure"), notified to the Company on 19th July 2023, the Authority assumes, as of at least 1<sup>st</sup> January 2020, a possible "coordination between the Parties in order to limit the mutual competition and to set, in a coordinated manner, an important component of the price of automotive fuel represented by the cost of the organic component connected to legal obligations which, to date, provide for a minimum quantity of 10% of the total fuel released for consumption".

In the same Measure, the Authority notes that "considering that the subject matter of the assumed agreement is the cost of the organic component deriving from the obligations introduced into national law, the conduct of the parties could have involved the entire network distribution market and the wholesale market of automotive fuels on the Italian market."

To date, only partial access has been granted to the documents of the proceedings, and the Parties have not been notified of the preliminary disclosures ("CRI"), i.e. the communication with which the Authority formalizes the charges against the Parties following its investigation.

On 19th October 2023, the Company submitted a set of commitments to the Authority pursuant to Article 14-ter of Law no. 287/90. By means of a decision of 21st November 2023, the Authority ordered its rejection, indicating an interest in reaching a decision regarding the possible restrictions on competition of the disputed conduct.

On 24 July 2024, Saras, as other companies involved in the proceedings, was called to a hearing at the Authority. During this hearing, the Company provided the requested clarifications.

The Proceedings will therefore follow the ordinary course that provides for the sending of the CRI if, at the end of its investigation, the Authority deems its allegations to be well founded.

The company reiterates its non-involvement in the violations alleged by the Authority and confirms that it has not received any notice of sanctions. The company therefore confirms that the risk is remote and at present it is not possible to predict the outcome of the Proceedings, nor to provide a reasonable estimate of the sanctions that the AGCM could apply in the event of a violation of Article 101 TFEU is actually verified.

The Proceedings must be concluded, unless extended, by 31st December 2024.

- 4) As regards the subsidiary Sarlux S.r.l., there are ongoing disputes with GSE about the non-recognition of the categorization of the IGCC plant as cogeneration and the subsequent alleged obligation to purchase "green certificates"; the companies producing electricity from non-renewable or cogeneration sources (pursuant to Italian Legislative Decree no. 79/99 and ARERA Resolution no. 42/02) are, in fact, subject to the obligation to purchase green certificates for a certain percentage of electricity fed into the grid. Consequently, the Company did not recognize any expenses or revenues with reference to these regulations.
- 5) Furthermore, with regard to the subsidiary Sarlux, a criminal case against the Company and some managers must be noted. In April 2022, an investigation was initiated against Sarlux S.r.l. and some of the Company's managers, by the Cagliari Public Prosecutor's Office, as part of an investigation into blow-down discharges, with exceedances of the limits of the gases sent to the flare, as set forth by the AIA agreement, which allegedly generated black smoke and odor emissions, as ascertained in the records covering the period from 2019 to the present. In particular, the investigation refers to the alleged offense 452-bis of the Criminal Code. (Environmental Pollution). On 25th July 2024, following the meeting with the Company, the Corpo Forestale (Forestry Corps) made an additional data request, which was notified to Sarlux on 1st August 2023, which the Company replied to with technical reports.

This request was fulfilled by Sarlux with the new response report sent to the Corpo Forestale (Forestry Corps) on 6th September 2023.

- 6) In June 2022, the Corpo Forestale e di Vigilanza Ambientale ("C.F.V.A.") - Forest and Environmental Surveillance Corps - notified some managers of Sarlux S.r.l. of the application of a decree ordering the inspection of places and property, issued by the Public Prosecutor's Office of the Court of Cagliari, for the offense referred to in Article 452-bis of the Italian Criminal Code, allegedly committed in Sarroch until December 2019, as a result of possible emissions and spillage of waste. At the end of the inspection, the C.F.V.A. ordered the criminal seizure of a limited tank area due to the presence of traces of hydrocarbons in the soil, and of one of the rainwater collection tanks owing to the presence of oily products. The sites surrounding the seized areas was closed and access was restricted for the sole purpose of environmental monitoring.
- 7) The company Sarlux met the requirements to be included in the list of companies with a high consumption of electricity ("energy-intensive"), up to the year 2023. With Art. 3 of Italian Law Decree no. 131/2023, the legislator reformed the national legislation on incentives for energy-intensive companies, adapting it to the EU provisions on "State aid for the climate, environment and energy 2022", starting from January 1, 2024. In particular, for companies to be considered energy-intensive, inter alia, they must operate in the sectors indicated in annex 1 to European Commission Communication 2022/C 80/01. ARERA was tasked with implementing the new subsidy regime. Within this context, for the purposes of checking the requirement of belonging to the sectors referred to in the aforementioned annex 1, it envisaged that the prevailing ATECO Code indicated in the VAT return of the company concerned should be used. As it is a complex corporate group and it has adhered to the consolidated group VAT regime, Saras proposed to ARERA the use of the ATECO code reported in the Group VAT return in the case of complex corporate groups. This proposal was rejected by the Authority.

Therefore, the company is preparing an extraordinary appeal to the President of the Italian Republic which will be filed in August 2024.

## 7.2 Commitments

On 30 June 2024, there were no irrevocable commitments in existence for the purchase of materials or the provision of services over a period of several years.

As part of its normal activities, the Parent Company Saras has issued sureties totaling EUR 154,054 thousand at 30 June 2024, mainly in favor of subsidiaries and entities, such as Customs Agencies and the Ministry of Defense.

### 7.3 Related-party transactions

On June 18, 2024, Varas S.p.A. ("Varas"), a special purpose vehicle controlled by Vitol B.V. through Varas Holding S.p.A. purchased the 35.019% of Saras S.p.A. share capital. On that date, in fact, there was the completion of the acquisition, pursuant to the sale and purchase agreement signed on 11 February 2024 (the "Sale and Purchase Agreement"), by Varas S.p.A., of the entire shareholding held by Massimo Moratti S.a.p.A., Angel Capital Management S.p.A. and Stella Holding S.p.A. (collectively the "Moratti Family") in the same Company.

For more detail, please refer to the Report on Operations.

The following table summarizes all the transactions carried out with the Vitol Group.

Description	value (Euro/000) and % on balance sheet item as of 06/30/2024		value (Euro/000) and % on balance sheet item as of 06/30/2023	
<b>Related-party transactions involving Vitol Group' Companies</b>				
Revenues from ordinary operations	536.495	9,19%	255.193	4,74%
Purchases of raw materials and consumables	104.373	2,12%	214.405	4,72%
Cost of services and sundry costs	1.321	0,21%	703	0,14%

Description	value (Euro/000) and % on balance sheet item as of 06/30/2024		value (Euro/000) and % on balance sheet item as of 31/12/2023	
<b>Related-party transactions involving Vitol Group' Companies</b>				
Trade receivables	2.377	0,46%	1.437	0,29%
Trade and other payables	764	0,06%	154	0,01%

The above transactions mainly concern the exchange of goods and the provision of services and are settled at market conditions.

### 7.4 Subsequent events

For information on subsequent events after the end of the reporting period, please refer to the relevant section of the Report on Operations.





**Declaration in respect of the Half-Year Financial Report, pursuant to the article 81-ter of Consob Regulation n. 11971 of 14<sup>th</sup> May 1999 and subsequent amendments and additions thereto**

The undersigned, Massimo Moratti, Chairman, and Fabio Peretti, the Executive responsible for the preparation of Saras S.p.A. financial reporting, hereby attest, pursuant also to the provisions of article 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24<sup>th</sup> February 1998:

- the appropriateness in respect of the type of company, and
- the efficient application of the administrative and accounting procedures for the preparation of the interim consolidated half year financial statements, for the period 1<sup>st</sup> January 2024 to 30<sup>th</sup> June 2024.

In addition, the undersigned declare that:

1. the Half-Year Financial Report as of 30<sup>th</sup> June 2024:

- a) was prepared in accordance with the applicable international accounting standards recognised in the European Union, pursuant to European Parliament and Council Regulation (EC) n. 1606/2002 of 19<sup>th</sup> July 2002;
- b) accurately represents the figures in the company's accounting records;
- c) gives a true and fair view of the assets, liabilities and financial position of Saras S.p.A. and all consolidated companies.

2. the interim "report on operations" includes a reliable analysis of the main events which took place during the first semester of the financial year and their impact on company results together with a description of the main risks and uncertainties for the remaining semester of the financial year.

The Half-Year Financial Report also contains a reliable analysis of the transactions with related parties.

This declaration is made pursuant to article 154-bis, paragraphs 2 and 5, of the Legislative Decree 58, dated 24<sup>th</sup> February 1998.

*Milan, 31<sup>st</sup> July 2024*

*Chairman*

*Director responsible for drawing  
up the accounting statements*

*(Dott. Massimo Moratti)*

*(Dott. Fabio Peretti)*



# Saras S.p.A.

Interim condensed consolidated financial statements as of 30 June 2024

Review report on the interim condensed consolidated financial statements

(Translation from the original Italian text)

# Review report on the interim condensed consolidated financial statements (Translation from the original Italian text)

To the Shareholders of  
Saras S.p.A.

## Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows and the related explanatory notes of Saras S.p.A. and its subsidiaries (the "Saras Group") as of 30 June 2024. The Directors of Saras S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

## Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Saras Group as of 30 June 2024 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, 31 July 2024

EY S.p.A.  
Signed by: Marco Malaguti, Auditor

*This report has been translated into the English language solely for the convenience of international readers*