



Third Quarter 2020 results

4th November 2020



SARAS



AGENDA

- Saras Highlights
- Market highlights
- Segment Review
- Outlook
- Saras Roadmap to Energy Transition
- Financials
- Additional Information



Important Notice

NON-GAAP MEASURE ALTERNATIVE PERFORMANCE INDICATORS

In 2019, the Saras Group continued to improve the methodologies used to measure its operating performance and financial results, which includes both GAAP and non-GAAP indicators. In this respect, with effect from Q4/19, the Group decided to update its accounting policy for the classification of derivative instruments in the reported results, classifying the realized and unrealized gains/losses on commodity and CO2 hedging derivatives within the Reported EBITDA, consistently with the entry of the purchase and sale of crude oil and products, against which they are realized and directly related, despite the recognition of the current value of the same as a counterpart of the income statement. In addition to the improvement objective mentioned above, this decision also stemmed from the options offered by IFRS 9, which recently became applicable.

In order to give a representation of the Group's operating performance that best reflects the most recent market dynamics, in line with the consolidated practice of the oil sector, the results at operating level and at the level of Comparable Net Result, non-accounting measures elaborated in this management report, are shown by evaluating the inventories on the basis of the FIFO method, however, excluding unrealized gains and losses on inventories deriving from scenario changes calculated by evaluating opening inventories (including the related derivatives) at the same unit values of closing inventories (when quantities rise in the period), and closing inventories at the same unit values of opening inventories (when quantities decrease in the period). Non-recurring items in terms of nature, materiality and frequency have been excluded from both the operating profit and the comparable net profit. 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.

DISCLAIMER

Certain statements contained in this presentation are based on the belief of the Company, as well as factual assumptions made by any information available to the Company. In particular, forward-looking statements concerning the Company's future results of operations, financial condition, business strategies, plans and objectives, are forecasts and quantitative targets that involve known and unknown risks, uncertainties and other important factors that could cause the actual results and condition of the Company to differ materially from that expressed by such statements. This presentation has been prepared solely by the company.



9M/20 & Q3/20 Highlights

<i>EUR million</i>	Jan-Sep 20	Jan-Sep 19	Q3/20	Q3/19
<i>Reported EBITDA</i>	(78.1)	258.3	36.3	120.2
<i>Reported Net Result</i>	(174.0)	66.8	6.7	42.7
<i>Comparable EBITDA</i>	10.2	234.5	(61.5)	125.7
<i>Comparable Net Result</i>	(111.1)	53.8	(69.6)	51.3

<i>EUR million</i>	Sep 30 th 2020	Jun 30 th 2020	Mar 31 st 2020	Dec 31 st 2019
Net Financial Position ante IFRS 16	(413)	(337)	(223)	79
Net Financial Position post IFRS 16	(456)	(382)	(271)	30

Positive Group comparable EBITDA at EUR 10.2M in 9M/20 and negative at EUR -61.5 in Q3/20: Refining profitability impacted in Q3 by a very weak scenario with distillates-diesel crack falling as high supply persists and discounts on sour crude remaining slim.

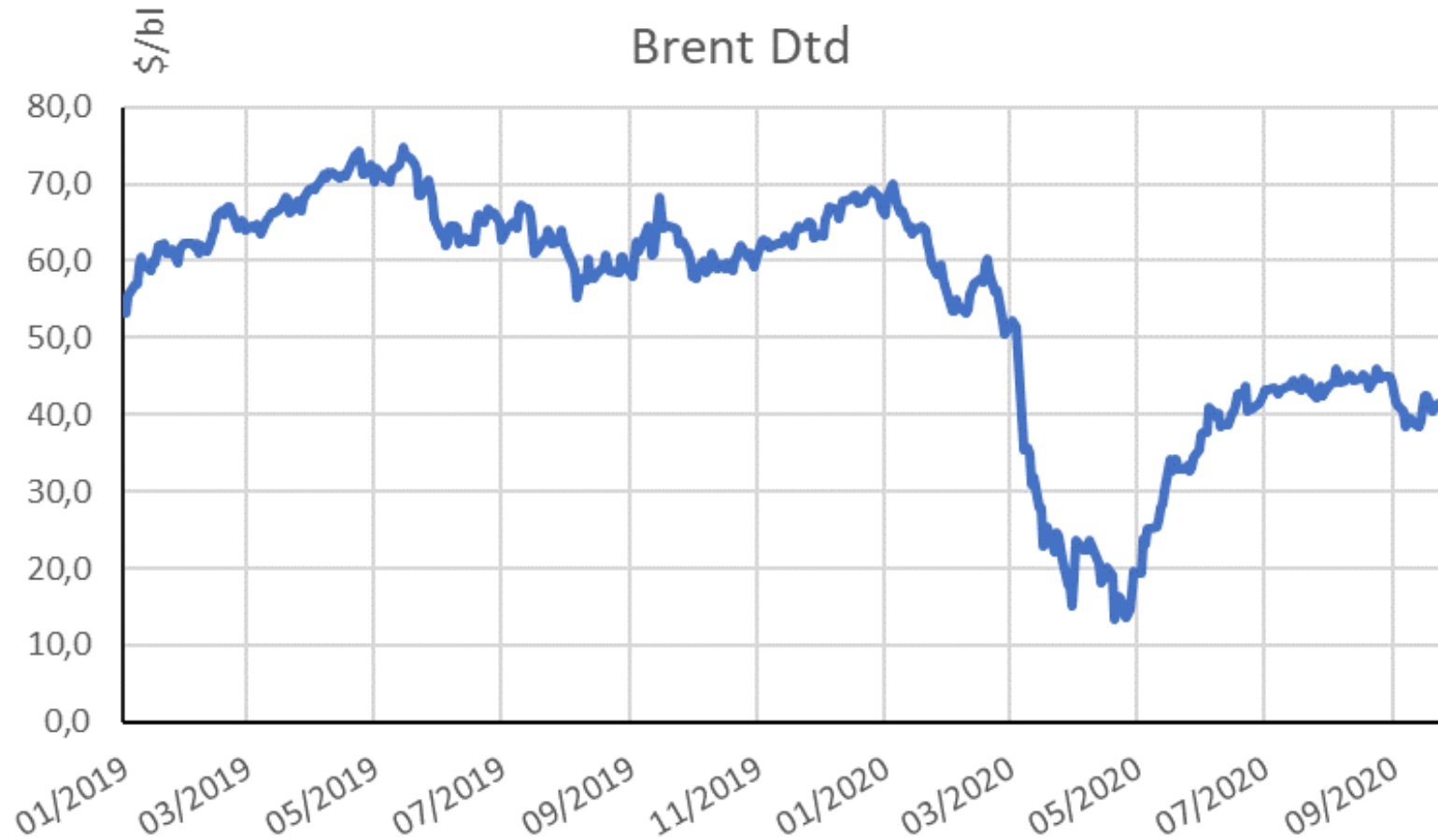
The unfavorable market, worsened in Q3, led to:

- **Q3/20 Refining premium positive at +0.3 \$/bl**, with EMC negative at -1.8 \$/bl (Saras' average margin for Q3 at -1.5\$/bl)
- **9M/20 Refining premium positive at +2.4 \$/bl**, with an average EMC for the nine months at -0.4\$/bl (Saras' average margin for 9m at +2.0\$/bl)

Net Financial Position (ante IFRS 16) as of September 30th, 2020, impacted by the lack in profitability in Q3, was negative at EUR -413 M, from a Net Debt of EUR -337 M as at June 30th 2020.



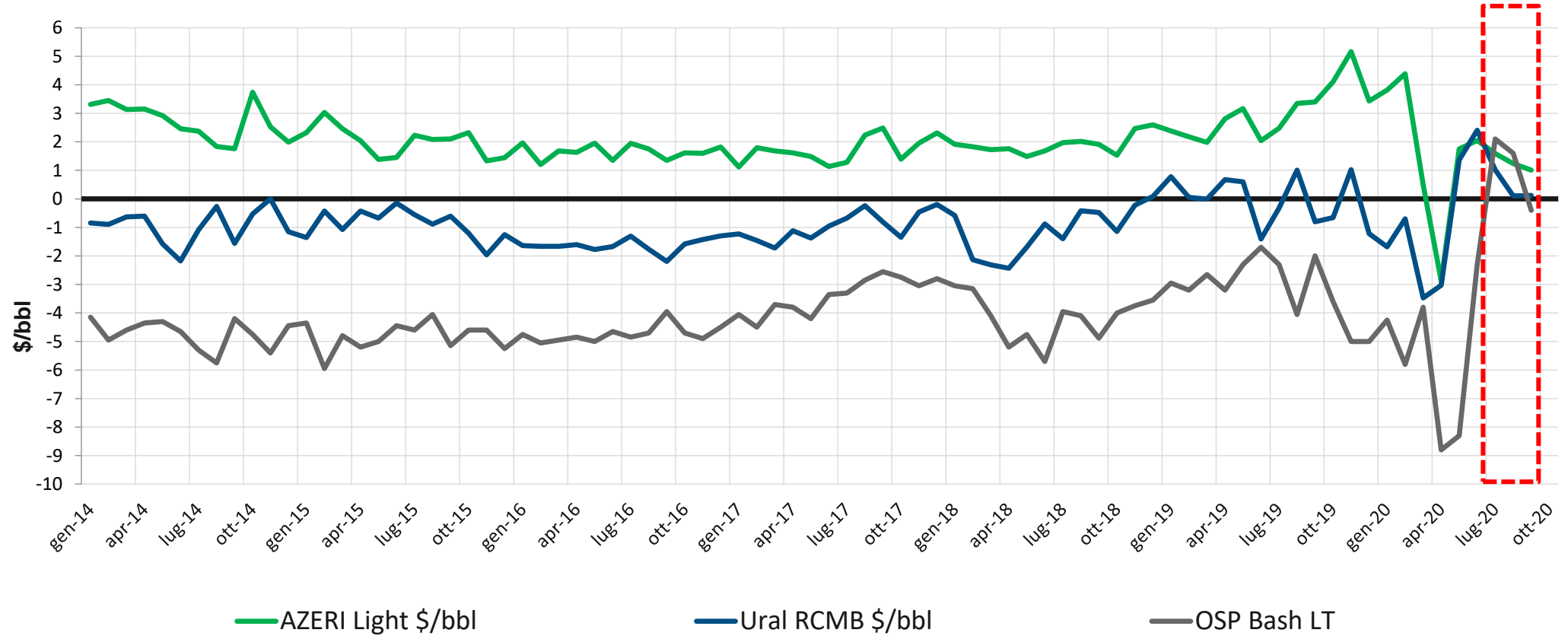
Brent Dtd



Source: S&P Global Platts



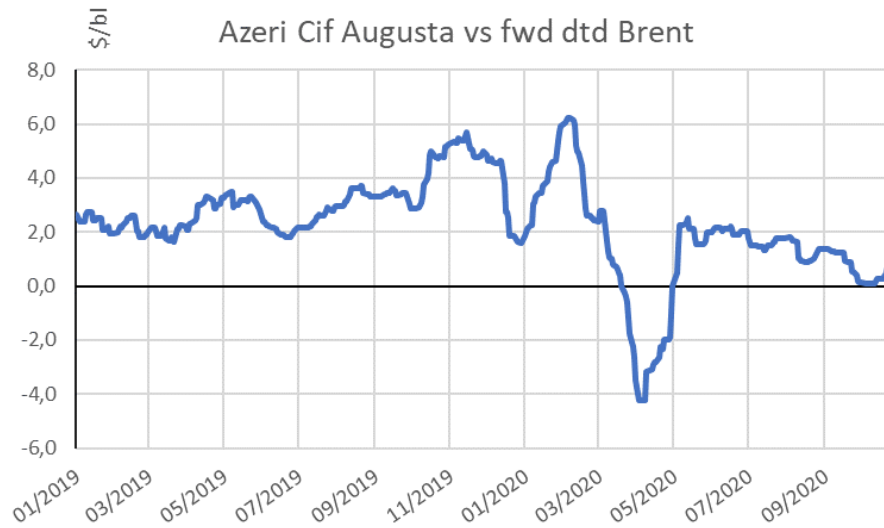
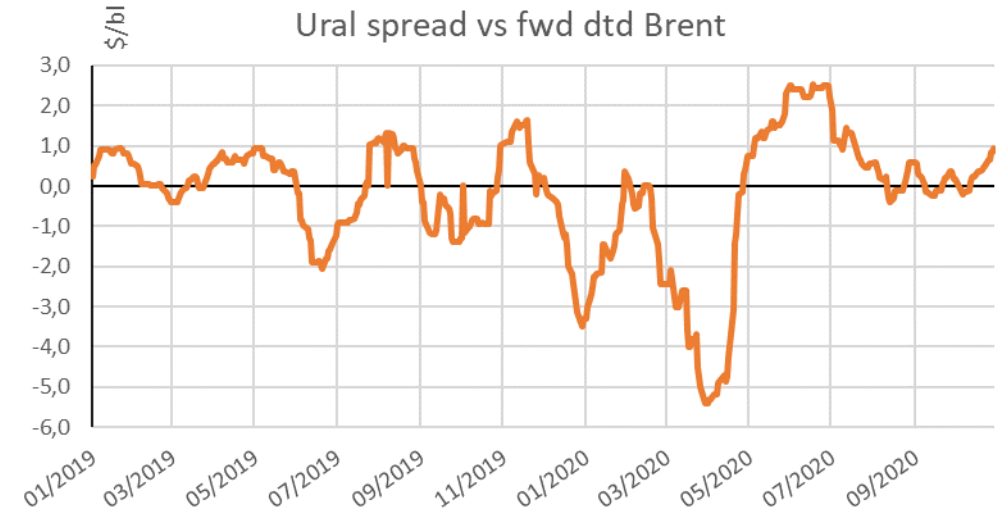
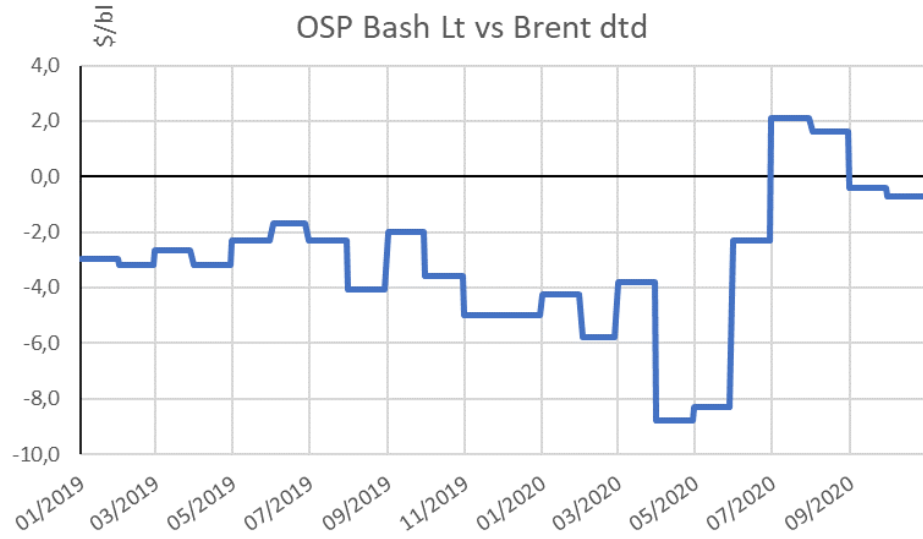
Crude differentials vs Brent Dtd



Source: S&P Global Platts



Crude differentials vs Brent Dtd

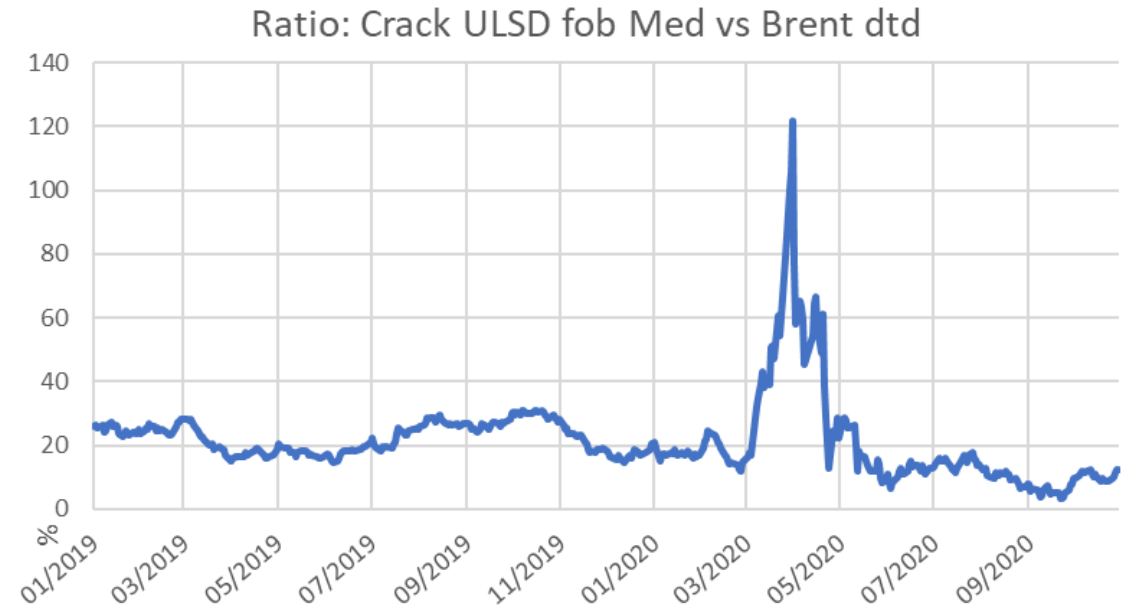
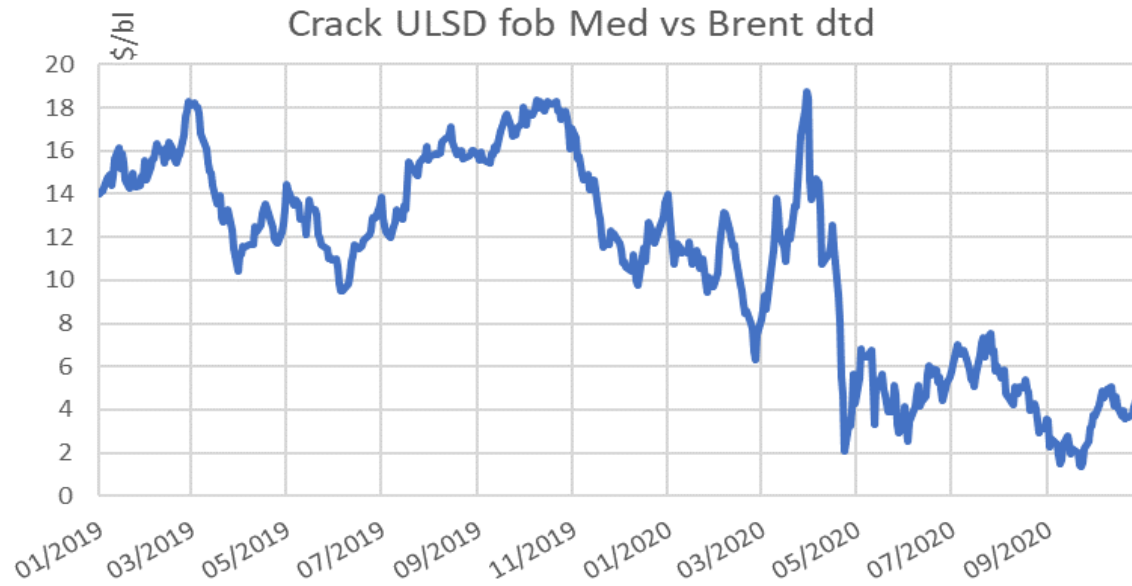


— Ural RCMB

Source: S&P Global Platts



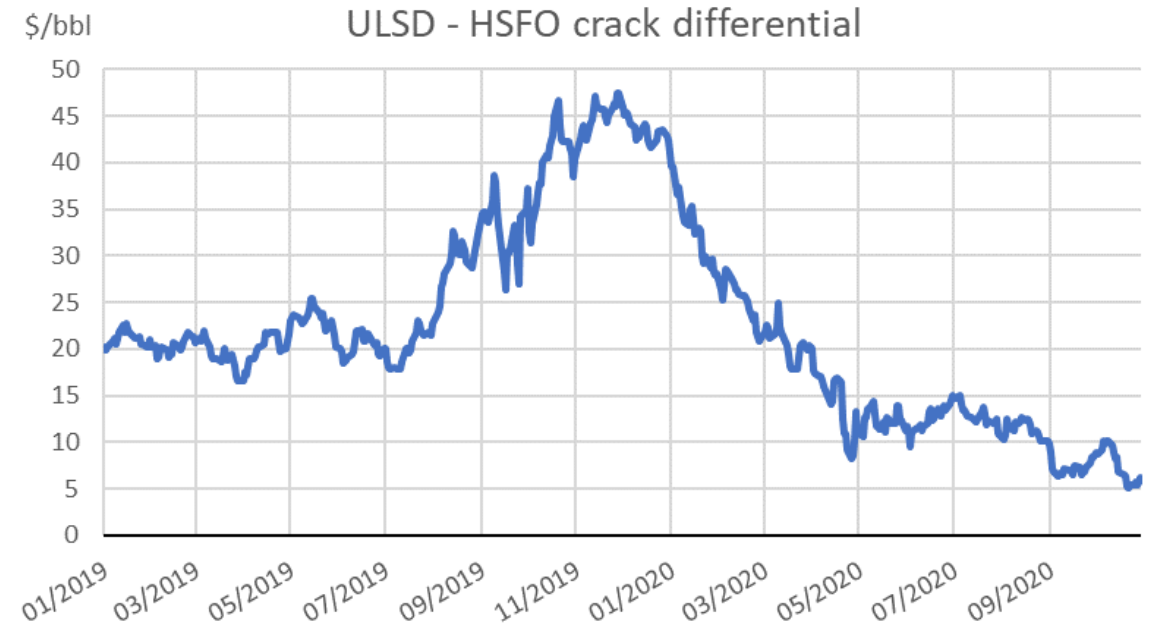
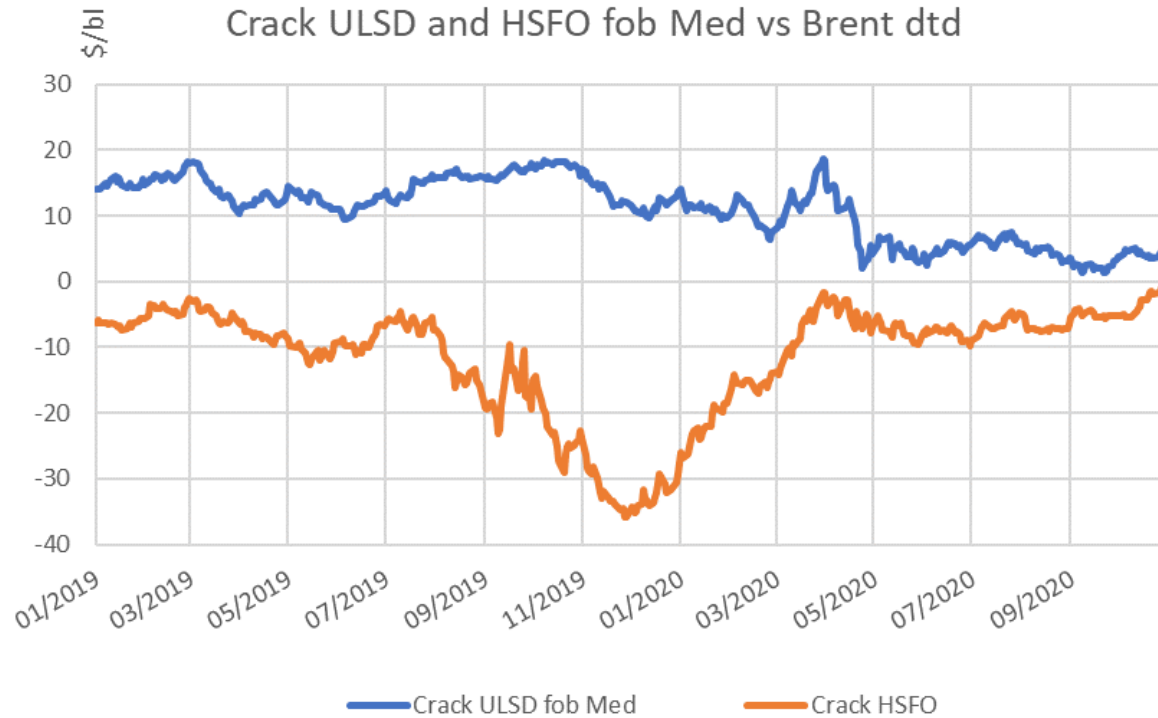
CRACK ULSD vs Brent Dtd



Source: S&P Global Platts



CRACK DIESEL and HSFO vs Brent Dtd

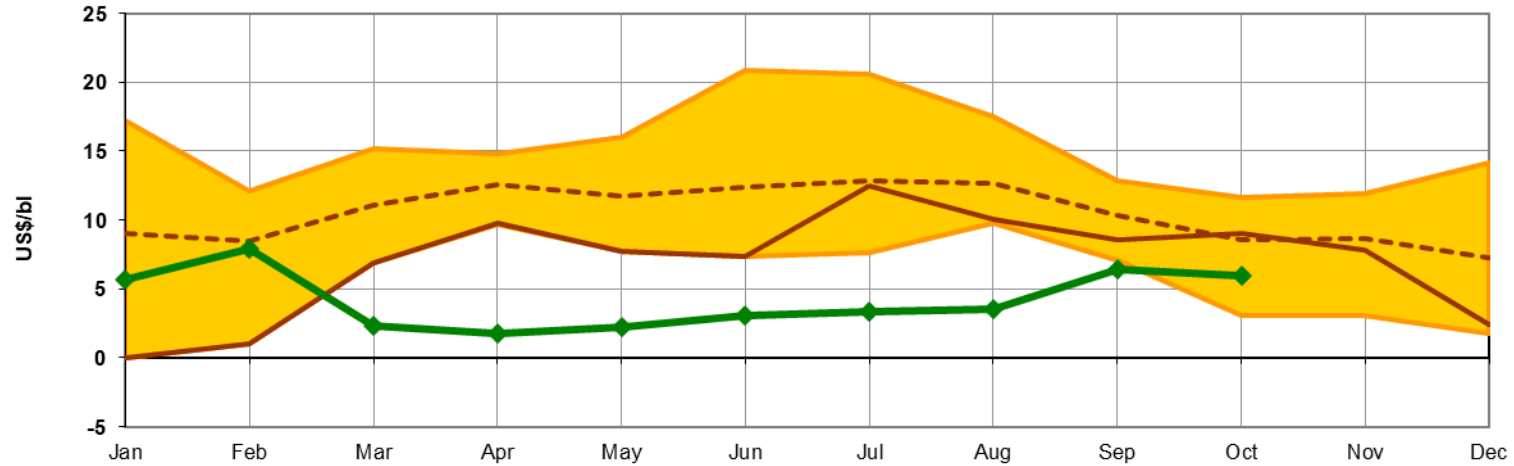


Source: S&P Global Platts

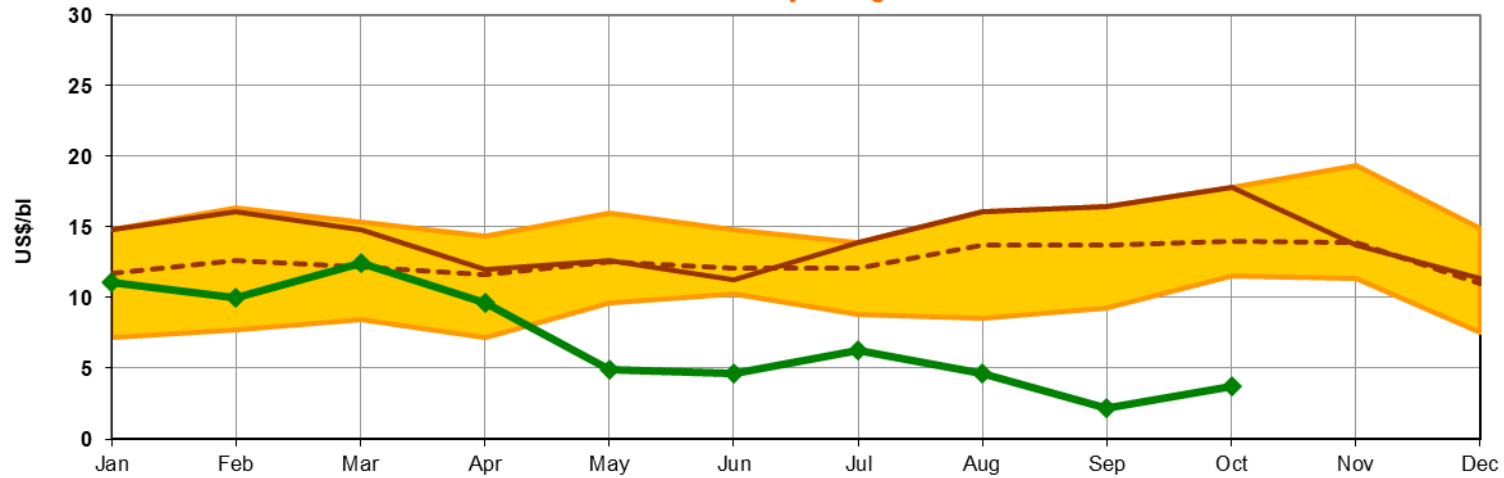


Historical Gasoline and Diesel Crack Spreads

Med: Gasoline Crack spread vs Brent
monthly averages



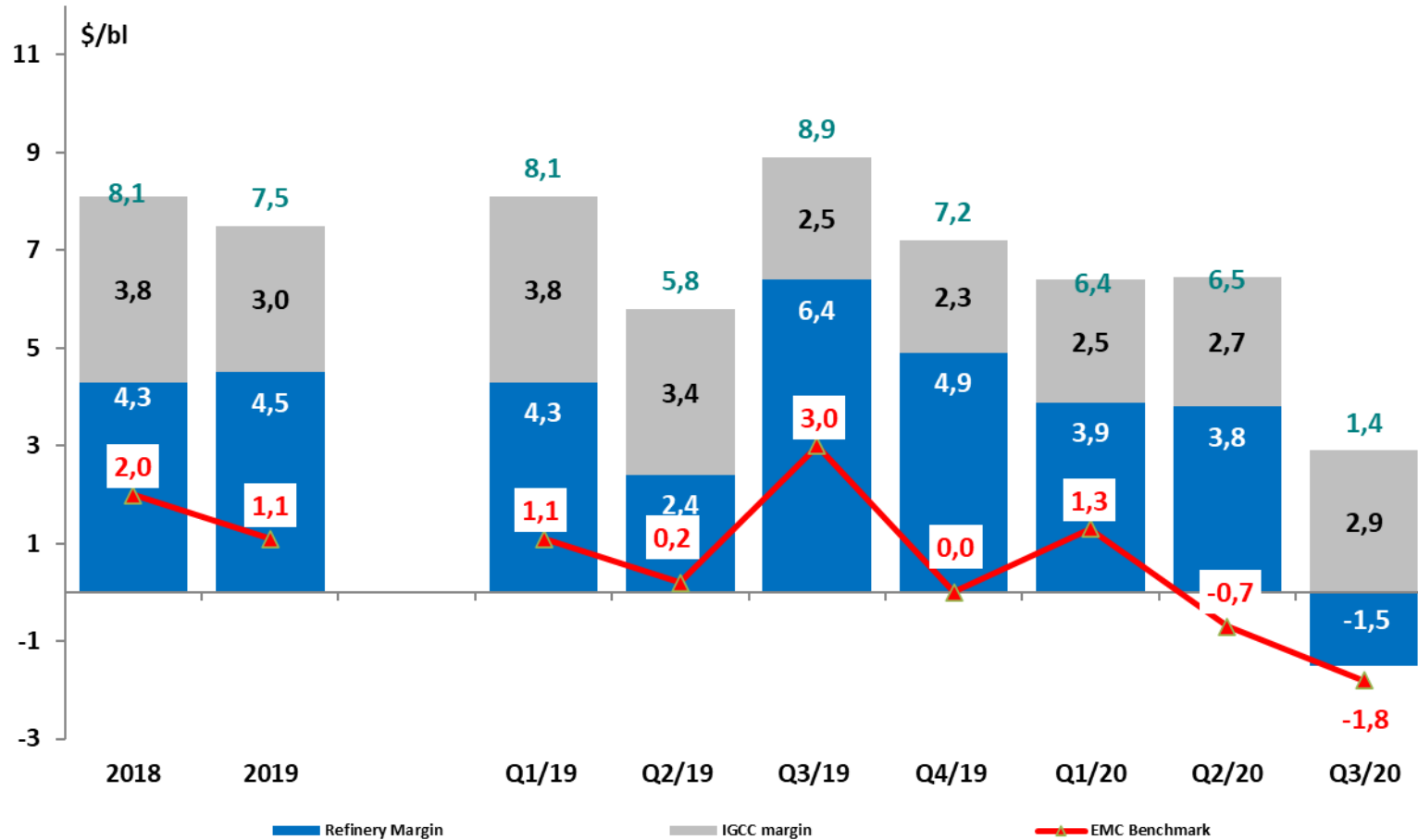
Med: Diesel Crack spread vs Brent
monthly averages



Source: S&P Global Platts



Saras Refining and Power Generation Margins



Refinery margins: (comparable Refining EBITDA + Fixed Costs) / Refinery Crude Runs in the period

IGCC margin: (Power Gen. EBITDA + Fixed Costs) / Refinery Crude Runs in the period

EMC benchmark: margin calculated by EMC (Energy Market Consultants) based on a crude slate made of 50% Urals and 50% Brent

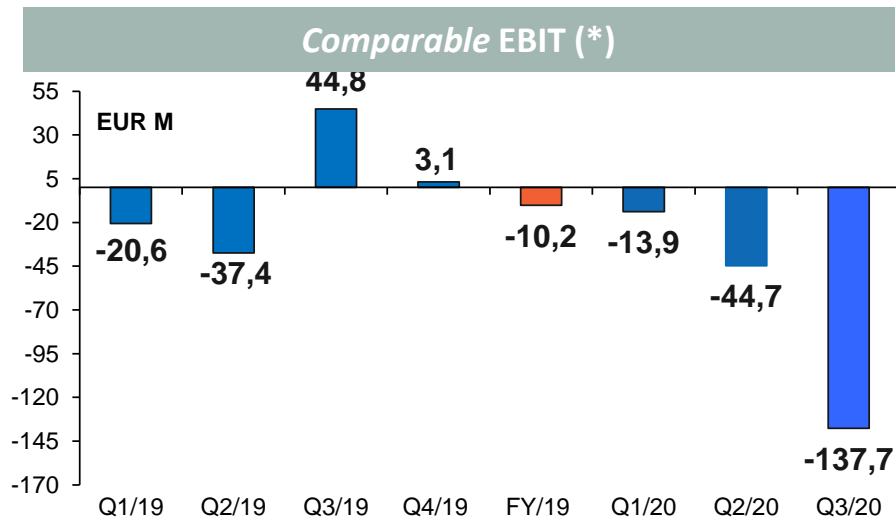
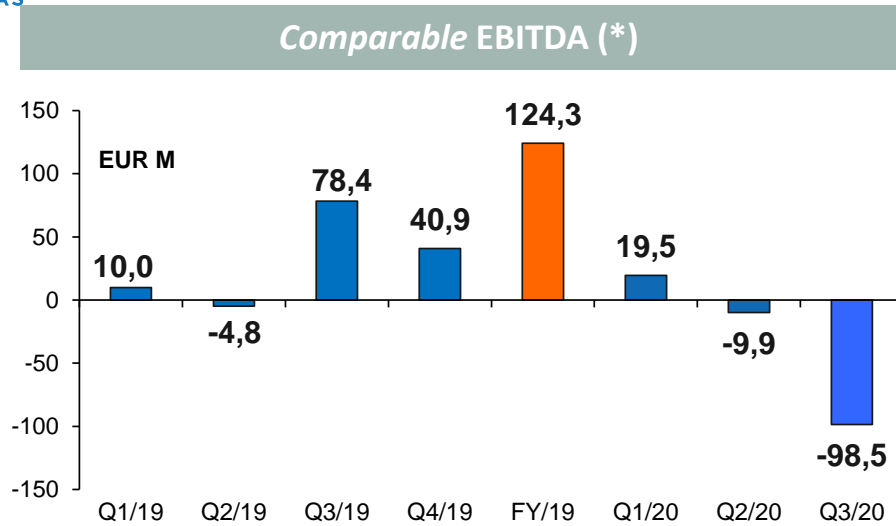
(*) The refining margins of 2019 have been recalculated on the basis of the new method of determining reported and comparable results introduced in Q4/19. 2018 figures have not been restated.



Segment Review



Segments Review: Refining



Q3/20

Record low distillate crack and tight light-heavy differentials led to fall in profitability, with a comparable EBITDA at EUR -98.5M (vs EUR 78.4M in Q3/19)

- ✓ EMC margin benchmark negative in Q3/20 and equal to -1.8\$/bl
- ✓ Saras recorded a negative premium on the EMC, equal to -0.3\$/bl, mainly due to unfavorable conditions compare to the yield of EMC (estimated for a complex refinery in the MED), in particular:
 - higher Saras yield in middle distillates compared to the EMC yield
 - persisting pressure on sour crudes discounts, used in middle distillates production

9M/20

Negative Comparable EBITDA at EUR -137.7M (vs EUR 83.4M in 9M/19)

- ✓ EMC margin benchmark negative in 9M/20 and equal to -0.4\$/bl
- ✓ Saras premium on the EMC at +2.4\$/bl
- ✓ In H1/20 impact of price trends on the valuation of stock inventories, affected profitability and working capital with a reduction in trade payables more than proportional of the reduction of trade receivables and inventories
- ✓ Additional impact on profitability in Q3 due to worsened market conditions

EUR million	Q3/20	Q3/19	9M/20	9M/19
Comparable EBITDA	(98.5)	78.4	(88.9)	83.4
Comparable EBIT	(137.5)	44.8	(196.3)	(13.4)



Segments Review: Refining / Crude Oil Slate and Production

REFINERY RUNS		Q3/20	9M/19	9M/20
Crude oil	<i>K tons</i>	2,903	9,780	8,333
Complementary feedstock	<i>K tons</i>	130	871	573
CRUDE OIL SLATE		Q3/20	9M/19	9M/20
Light extra sweet		28%	37%	22%
Light sweet		18%	12%	16%
Medium sweet/extra sweet		6%	1%	4%
Medium sour		24%	36%	33%
Heavy sour/sweet		23%	14%	26%
Average crude gravity	^o API	33.7	34.5	33.0
PRODUCTION (From crude runs and feedstock) ²⁵⁵		Q3/20	9M/19	9M/20
LPG	<i>k tons</i>	55	235	131
	<i>Yield</i>	1.8%	2.1%	1.5%
Naphtha + gasoline	<i>k tons</i>	805	2,978	2,176
	<i>yield</i>	26.5%	28.0%	24.4%
Middle distillates	<i>k tons</i>	1,570	5,449	4,484
	<i>yield</i>	51.8%	51.2%	50.3%
Fuel oil & others	<i>k tons</i>	141	498	796
	<i>Yield</i>	4.6%	4.7%	8.9%
TAR	<i>k tons</i>	255	801	800
	<i>yield</i>	8.4%	7.5%	9.0%

Crude runs down vs 9M/19, due to the impact in H1/20 (-13%) of planned turnaround of key units extended due to Covid emergency and unfavourable market conditions with low profitability in Q3

Increase in heavy crudes mix with reduction in light sweets, due to the set-up of maintenance plan set up for the FCC in H1/20 and to commercial choices attributable to the low margins of gasoline in the period

Maintenance on FCC and T1 units in H1/20 led to an exceptional lower yield in gasoline – most affected by low cracks in H1 - and, in minor part, also in diesel. In Q3/20 the restart of T1 and FCC led to yield percentages closer to historical level

Higher fuel oil and TAR yield mainly due to the maintenance activity carried out in the period affected T1 and FCC plant in H1/20

Balance to 100% are Consumption & Losses

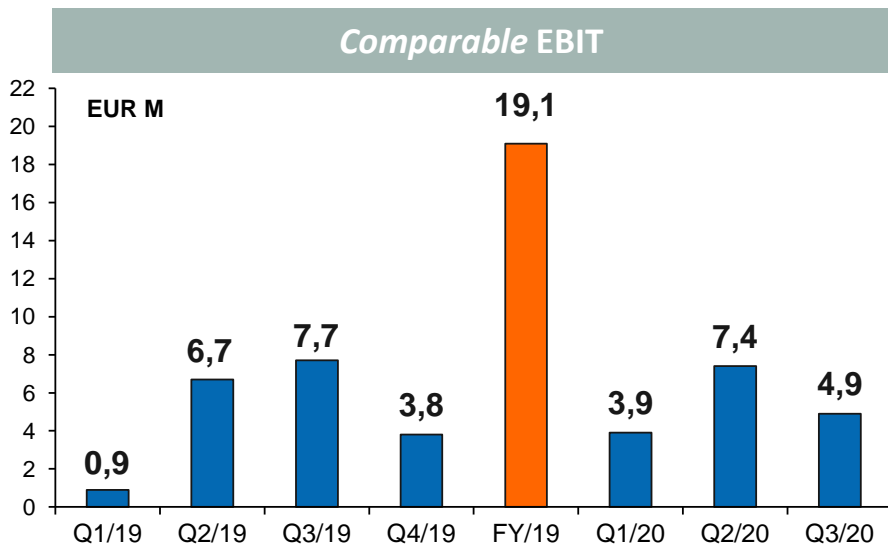
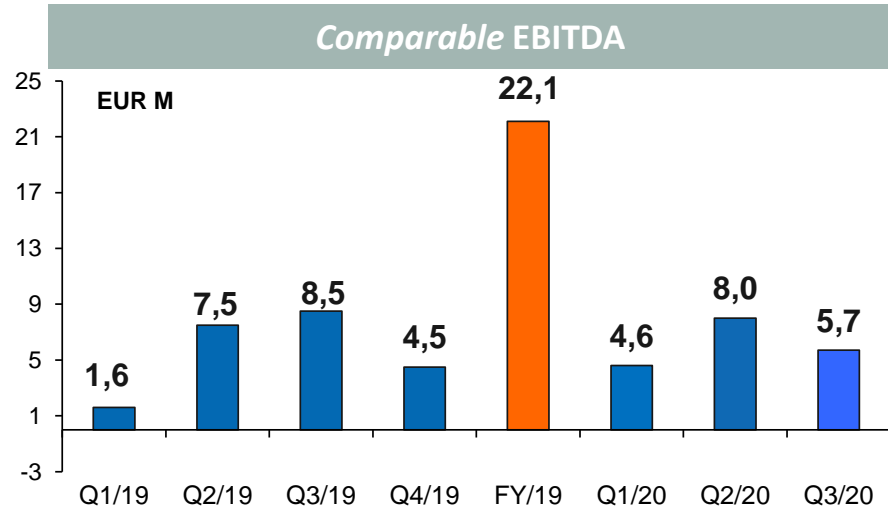


Segments Review: Refining Fixed & Variable costs

		Q3/20	9M/19	9M/20
Refinery RUNS	Million barrels	21.2	71.4	60.8
<i>Exchange rate</i>	<i>EUR/USD</i>	<i>1.170</i>	<i>1.124</i>	<i>1.124</i>
Fixed costs	EUR million	72	196	201
	\$/bl	4.0	3.1	3.7
Variable costs	EUR million	32	141	98
	\$/bl	1.8	2.2	1.8



Segments Review: Marketing



Q3/20

- Marketing performed with positive margins despite a very challenging market with comparable EBITDA at EUR +5.7 M (vs. EUR 8.5M in Q3/19):

- ✓ Demand down in Q3 by approx. 11% in Italy and 9.8% in Spain
- ✓ Group sales volumes lower with Italy down 7% and Spain 19%
- ✓ Higher unit wholesale margins in Italy weigh positively on negative results
- ✓ In Italy the wholesale channel was confirmed to outperform the market, despite the contraction of fuel withdrawals by oil companies in Sardinia, confirmed also in the summer quarter.

9M/20

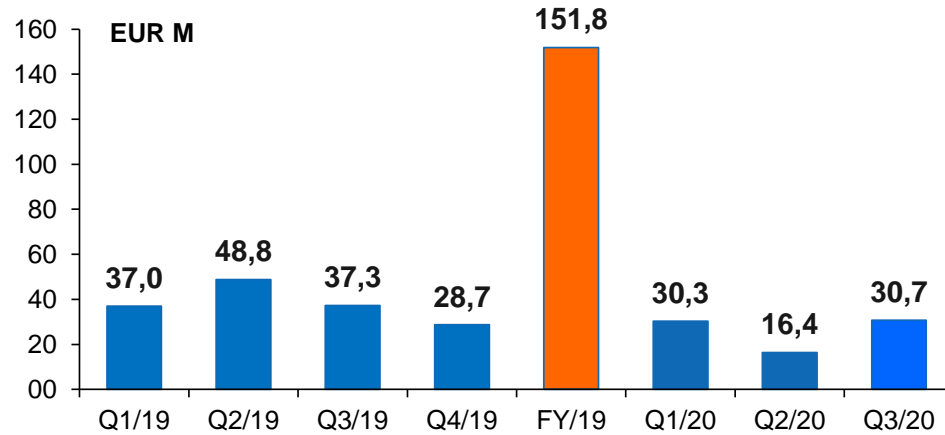
- Marketing comparable EBITDA was EUR 18.3 M (vs EUR 17.6 M in 9M/19), thanks to better margins achieved on the wholesale in Italy and lower fixed and variable costs.

EUR million	Q3/20	Q3/19	9M/20	9M/19
Comparable EBITDA	5.7	8.5	18.3	17.6
Comparable EBIT	4.9	7.7	16.2	15.3

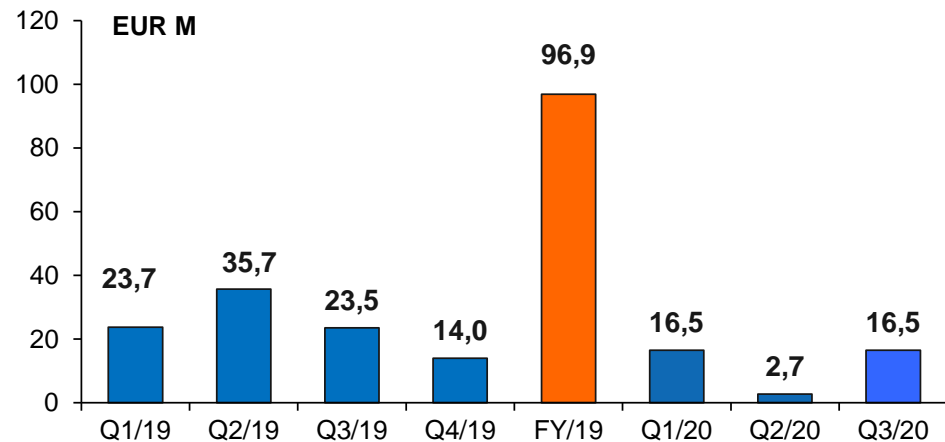


Segments Review: Power Generation

Comparable EBITDA



Comparable EBIT



Q3/20

- **Comparable EBITDA at EUR 30.7M (vs. EUR 37.3M in Q3/19) mainly due to the less favorable scenario and lower volumes for maintenance activities:**
 - ✓ **Less favorable scenario:** CIP6/92 tariff decreased by 18% YoY, affected by lower gas prices and only partially offset by a reduction in the cost of the TAR, decreased by 35%, while hydrogen costs (intercompany) was also unfavorable and lower than Q3/19.
 - ✓ Lower volumes by 8%, due to the extended shutdown to the Q3 of one of the gasification turbines, with a total production of 1.02 TWh.
 - ✓ Slightly positive contribution of linearization effect (for 4€M)

9M/20

- **Comparable EBITDA was EUR 77.4 million (vs Eur 123.1 M in 9M/19), with change mainly due to the lower contribution of the linearization on revenues (with a non-monetary effect) in H1/20 and to a less favorable scenario compared to the same period of the previous year. Volumes produced in the 9M20 up by 1% YoY.**

EUR million	Q3/20	Q3/19	9M/20	9M/19
Comparable EBITDA	30.7	37.3	77.4	123.1
Comparable EBIT	16.5	23.5	35.7	82.9

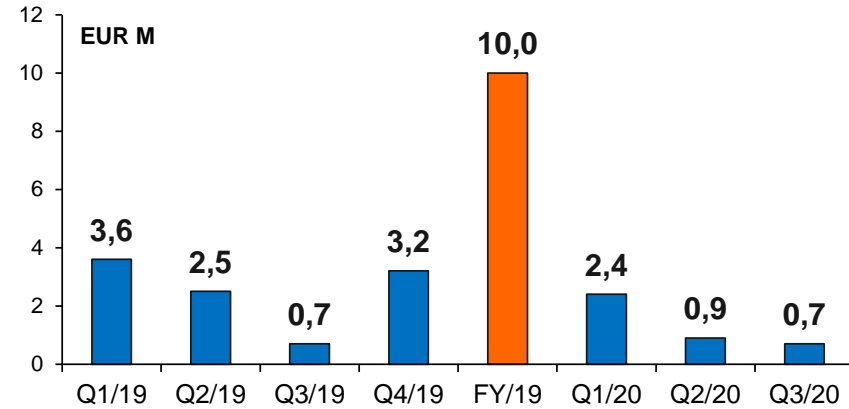


Power Generation – Fixed & Variable costs

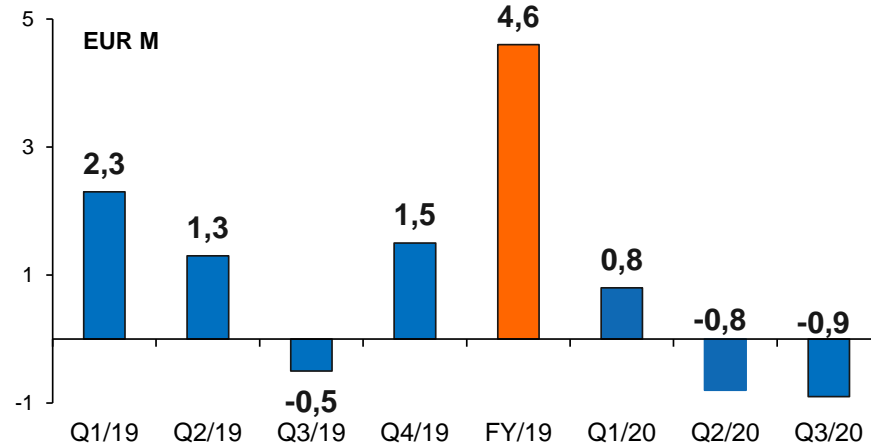
		Q3/20	9M/19	9M/20
Refinery RUNS	Million barrels	21.2	71.4	60.8
Power production	GWh	1,021	2,984	3,008
<i>Exchange rate</i>	<i>EUR/USD</i>	<i>1.170</i>	<i>1.124</i>	<i>1.124</i>
Fixed costs	EUR million	22	80	68
	\$/bl	1.2	1.3	1.3
	EUR/MWh	22	27	23
Variable costs	EUR million	10	35	24
	\$/bl	0.7	0.9	0.7
	EUR/MWh	14	18	13

Segments Review: Wind Power

Comparable EBITDA



Comparable EBIT



Q3/20

- **Comparable EBITDA at EUR 0.9 M, in line with 3Q/19**

- ✓ Volumes increased by 15% thanks to the entering into operation of additional 30MW capacity (“Maistu” project, equal to approx. 12GWh) and a windier 3Q
- ✓ **Power production in the quarter was equal to 30.3 GWh** (36.4 GWh in Q3/19)
- ✓ The Power Tariff decline by 15% (-0.7€cent/kWh) compared to 3Q/19
- ✓ The Incentive Tariff increased by 0.7 Eurocent/kWh compared to Q3/19

9M/20

- **Comparable EBITDA at EUR 4 M (vs. EUR 6.8 M in 9M/19):**

- ✓ Volumes increased by 10% despite unfavorable wind conditions seen in H1/20, thanks to the entering into operation of additional 30MW capacity (“Maistu” project, equal to approx. 12GWh)
- ✓ **Power production in the first nine months for 149 GWh** (136 GWh in 9M/19)
- ✓ The Power Tariff decline by 34%, or by 1.7 EURcent/kWh compared to 9M/19
- ✓ The Incentive Tariff increased by 0.7 Eurocent/kWh compared to 9M/19

EUR million	Q3/20	Q3/19	9M/20	9M/19
Comparable EBITDA	0.7	0.7	4.0	6.8
Comparable EBIT	(0.9)	(0.5)	(0.9)	3.1



Outlook



Outlook for 2020

Refining:

- **Global refining scenario still affected by uncertainty**, with the first signs of recovery in terms of oil prices dynamic and crack spreads - initially expected by market specialists between the last quarter of 2020 and the first quarter of 2021 – now expected in the second half of 2021
- **Lower refining runs (70-80% of capacity) planned for Q4, as a function of the weak profitability expected to endure in the last quarter**
- **Guidance for the Full Year expected in an average premium above the EMC benchmark of 2.1 \$/bl** (net of maintenance, mainly concluded in H1/20)

Power: Despite the drop in demand, expected power production for the FY20 is in line with FY19, in a range of 3.9-4.1TWh, with a positive effect also from a recovery in electricity price.

Wind: Reblading project of the Ulassai plant is underway, with a consequent increase in production for the same installed capacity. The works, which suffered some delays in the first half of the year, will be carried out in three parts and will be completed instead of the third quarter of 2020 by the first half of 2021. In the new set-up, production is expected to be up to 300 GWh/year

Net Financial Position: further penalization in Q4 according with the enduring low profitability expected in Q4/20 and due to the payment in the last quarter of the excise duties referring to the previous months as well as VAT.

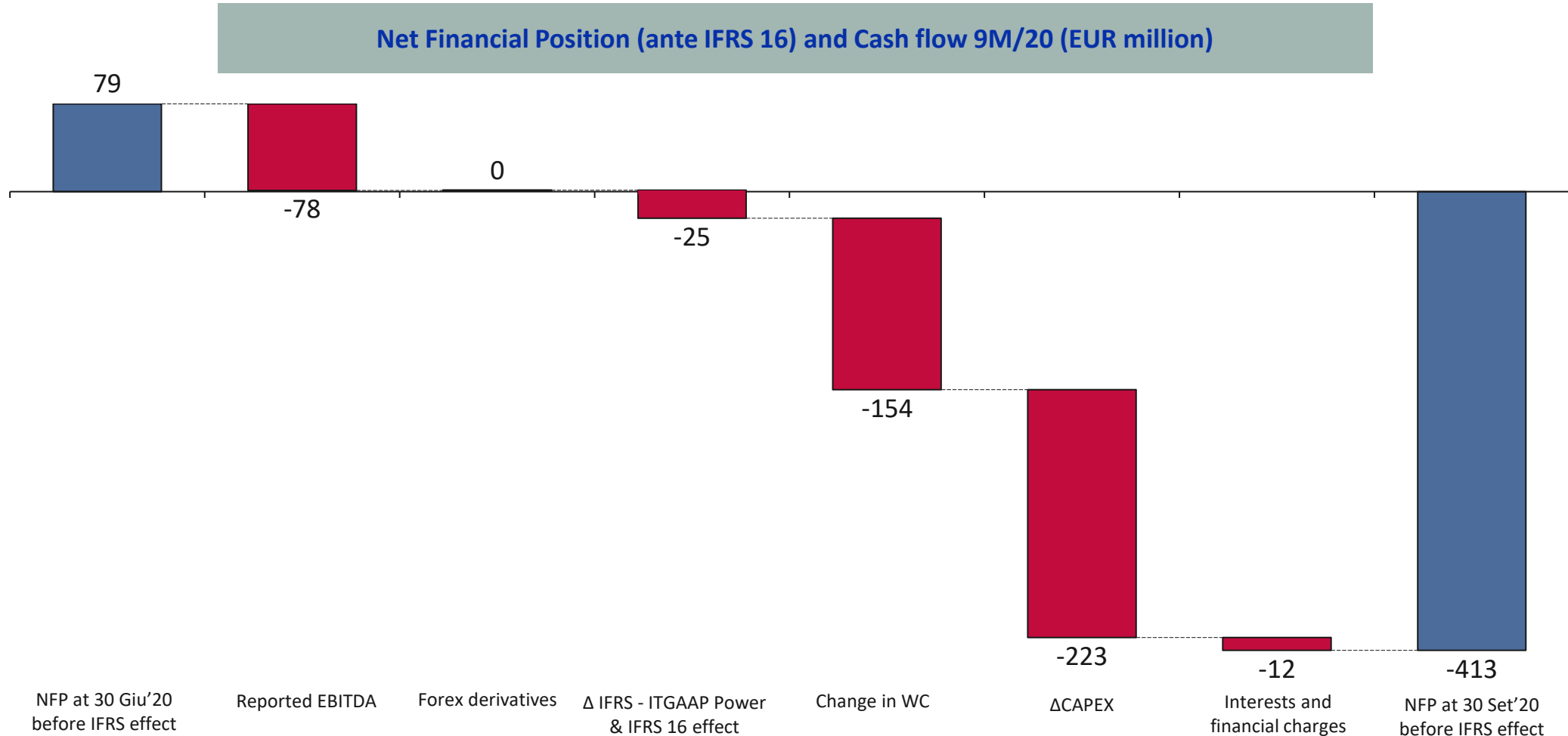
Extraordinary operational costs and investments cut planned for 2021: up to 120M of cost saving for the year, in order to contain the effects of the persistence of a negative scenario with refinery kept operational even at a lower capacity, in relation to the profitability of marginal processing, and also to guarantee the production of electricity essential for the balance of the Sardinian grid.

		Q1/20E	Q2/20E	Q3/20E	Q4/20E	2020E
REFINERY						
Crude runs	Tons (M) Barrels (M)	3.1 22.9	2.3 16.7	2.9 21.2	2.6 ÷ 2.8 19.0 ÷ 20.5	10.9 ÷ 11.1 79.5 ÷ 81
IGCC						
Power production	MWh (M)	1.19	0.8	1.05 ÷ 1.15	0.90 ÷ 1.00	3.90 ÷ 4.14



Financials

Financials: Net Financial Position evolution (ante IFRS 16)



It should be noted that the Group as of 30 September 2020 has additional credit lines granted and not used in the medium term (revolving credit line) for Euro 305 million, and in the short term for approximately Euro 200 million.



Financials: Key Income Statement Figures

KEY INCOME STATEMENT million)	(EUR	Q1/19 (*)	Q2/19 (*)	Q3/19(*)	Q4/19 (*)	2019(*)	Q1/20	Q2/20	Q3/20	9M/20
EBITDA		48.9	89.2	120.2	(5.4)	252.8	(92.0)	(22.4)	36.3	(78.1)
<i>Comparable</i> EBITDA		53.7	55.1	125.7	79.3	313.8	56.7	15.0	(61.5)	10.3
D&A		(46.2)	(47.8)	(49.6)	(55.2)	(198.5)	(49.7)	(44.3)	(56.0)	(156.8)
EBIT		2.7	41.5	70.6	(60.6)	54.1	(141.6)	(73.4)	(19.7)	(234.8)
<i>Comparable</i> EBIT		7.5	7.4	76.1	24.1	115.1	7.0	(36.0)	(117.5)	(146.4)
Interest expense		(5.6)	(3.2)	(5.2)	(4.2)	(18.2)	(4.7)	(2.3)	(4.5)	(11.6)
Other		(4.0)	8.0	(10.8)	6.6	(0.5)	(12.8)	4.8	8.1	0.2
Financial Income/Expense		(9.6)	4.8	(16.1)	2.3	(18.8)	(17.5)	2.4	3.6	(11.4)
Profit before taxes		(6.9)	46.2	54.5	(58.3)	35.3	(159.2)	(71)	(16.1)	(264.2)
Taxes		2.8	(18.0)	(11.7)	17.8	(9.2)	46.0	3.5	22.8	72.2
Net Result		(4.1)	28.2	42.7	(40.6)	26.2	(113.1)	(67.6)	6.7	(174.0)
Adjustments		2.1	(23.7)	8.6	54.1	41.1	112.7	26.5	(76.1)	62.9
<i>Comparable</i> Net Result		(2.0)	4.5	51.3	13.5	67.3	(0.4)	(41.1)	(69.6)	(111.1)

(*) Starting from Q4/19, oil hedging derivatives and those on CO2 quotas have been reclassified within the reported EBITDA to better represent the Group's operating performance, consistently with what has already been done in the past with reference to the alternative performance (Non-GAAP measure). Moreover the criteria to determine comparable results have been fine tuned. To provide a better picture all 2019 quarterly figures have been reclassified according to the new methodology.



Financials: Comparable Results Adjustments

EBITDA Adjustment (EUR million)	Q1/19	Q2/19	Q3/19	Q4/19	2019	Q1/20	Q2/20	Q3/20	9M/20
Reported EBITDA	48.9	89.2	120.2	(5.4)	252.8	(92.0)	(22.4)	36.3	(78.1)
Gain / (Losses) on Inventories and on inventories hedging derivatives	2.9	(32.5)	11.8	71.7	53.9	155.2	35.9	(107.5)	83.6
Forex derivatives	1.9	(1.6)	(6.2)	4.1	(1.9)	(7.6)	0.7	8.1	1.1
Non-recurring items	0.0	0.0	0.0	8.9	8.9	1.1	0.8	1.7	3.6
Comparable EBITDA	53.7	55.1	125.7	79.3	313.8	56.7	15.0	(61.5)	10.2

Net Result Adjustment (EUR million)	Q1/19	Q2/19	Q3/19	Q4/19	2019	Q1/20	Q2/20	Q3/20	9M/20
Reported Net Result	(4.1)	28.2	42.7	(40.6)	26.2	(113.1)	(67.6)	6.7	(174.0)
Gain & (Losses) on inventories and on inventories hedging derivatives net of taxes	2.1	(23.7)	8.6	51.8	38.9	111.9	25.9	(77.5)	60.3
Non-recurring items net of taxes	0.0	0.0	0.0	2.3	2.3	0.8	0.6	1.2	2.6
Comparable Net Result	(2.0)	4.5	51.3	13.5	67.3	(0.4)	(41.1)	(69.6)	(111.1)



Financials: CAP EX

CAPEX BY SEGMENT (EUR million)	Q1/19	Q2/19	Q3/19	Q4/19	2019	Q1/20	Q2/20	Q3/20
REFINING	102.7	67.2	36.8	85.3	291.9	95.7	77.4	33.5
POWER GENERATION	10.8	2.8	6.8	4.4	24.8	1.0	10.2	2.7
MARKETING	0.4	0.2	0.0	0.0	0.6	0.1	0.4	0.4
WIND	0.9	18.9	2.4	4.1	26.4	0.3	0.6	0.8
OTHER ACTIVITIES	0.2	0.1	0.1	0.4	0.8	0.3	0.2	0.1
TOTAL CAPEX	115.0	89.2	46.1	94.3	344.6	97.3	88.7	37.5



A Roadmap for the Energy Transition

Green Deal, PNIEC and Saras Roadmap

With the **Green Deal** Europe takes a leading role in the energy transition, and it establishes the main areas of intervention towards «net zero» emission target by 2050:

- *Extend ETS (Emission Trading Scheme) to various sectors (Industry, Transports, Buildings, etc.)*
- *Develop Renewable Energy production*
- *Implement Energy Efficiency programmes*
- *Support Innovative Technologies for the circular economy and environmental protection*

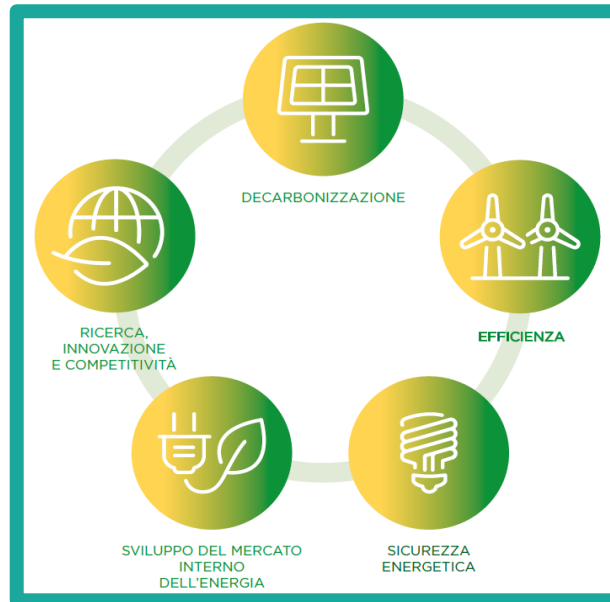


In line with the EU Green Deal, the Italian PNIEC (National Integrated Plan for Energy and Climate) sets the national mid/long term sustainable strategy:

1. **Carbon Phase-out** for energy production by 2025
2. **Grow Renewable production** to 32% of total energy consumption by 2030 (focus on Revamping & Repowering of existing plants)
3. **14% of biofuels** in transport fuels (both diesel & gasoline); EV incentives
4. **Safeguard of Italian «residual» refining industry** to reduce dependency on imports of fuels
5. **Support for energy efficiency**

Saras Roadmap is fully aligned to PNIEC & EU Green Deal

Moreover, Saras is preparing all disclosures required for **2020 CDP** (Carbon Disclosure Project)*



* CDP is a system to report and manage climate related risks, and it is an international benchmark on corporate climate sustainability, highly regarded by a growing number of institutional investors. CDP disclosure helps companies communicate their climate related strategies and policies, and it also provides a methodology to structure and compare with other players within the same sector



Renewable Energy Projects

- **Saras industrial plan 2020-23 includes sizeable development of renewable energy production, with the aim to grow installed capacity by further 400MW vs. current baseline**
- **Saras will leverage technical and operational skills** acquired in over 10 years of management and development of its Ulassai wind farm, as well as core industrial know-how of the Group
- Saras will give priority to its **Sardinian pipeline of projects**

Category	Overall capacity	
Wind	Approx. 300 MW	Connection with power network already discussed
Photovoltaic	50 – 100 MW	Under preliminary analysis

Biofuels production at Sarroch refinery

- “Renewable Energy Directive” (RED II), as well as PNIEC, establish the target to use, by 2030, biofuels up to 14% in terms of energy content of the total liquid fuels used in road transport (both gasoil and gasoline)
- At Sarroch refinery, the Group already started production for biofuels in gasoil, and it is studying a process for biofuels in gasoline:
 - **HVO (Hydrogenated Vegetable Oil) co-processing**
 - a “*premium drop-in*” biofuel which can be blended in the mineral diesel pool, without the need of any modification to the internal combustion engine, and without causing any operational problem
 - produced by hydro-treating of various kinds of lipids (vegetable oils, used oils, animal fats, etc)
 - Saras already produces HVO in co-processing, with a **production target of about 100 kton/y of HVO by year end**, further expandable to about 150 kton/y without CAPEX, and to about 250 kton/y with only small CAPEX
 - **Etherification (TAEE):** bio-additivation of gasoline can be achieved with simple bio-ethanol blending. However, a more effective process can be the etherification (TAEE), which entails the conversion of our TAME plant currently mothballed, with a **potential to use up to 50 kton/y of bio-ethanol**
- Within biofuels and circular economy development, Saras is studying **the reuse of plastics which can be thermally converted in fuels** («waste to fuels» processes)



CCS plant for Sarroch «long term» asset

- Considering that oil will continue to play a relevant role for many decades, and given the need to guarantee stability and continuity of power supply to Sardinia, Saras has developed a long-term plan which will allow to reduce significantly its environmental footprint
- Competence, technological development and digitalization are the resources which the Group will provide, among others, to achieve EU and national targets for energy transition and decarbonisation, in a sustainable and competitive manner
- In particular, **Saras is studying in an advanced phase a CCS project (Carbon Capture and permanent Storage of CO2 produced)** which could reduce CO2 emissions substantially and possibly up to 50%

Once the EU and Italian framework for decarbonization will be clearly established, Saras will be ready to promote its own project.



LNG availability in Sardinia & opportunities for Saras

- Sardinia is not connected to the national gas network, existing only on the mainland. From time to time, there are social and political requests to make natural gas available also for Sardinian industries and families
- **Saras developed a feasibility study to build a small scale LNG terminal within its industrial site in Sarroch** (10kcm storage, pipelines, logistics, and a regasification unit in order to use some of the natural gas as fuel for the refinery's furnaces)
- Saras is also studying the **possibility to build a LNG power plant (130 MW capacity), still within Sarroch industrial site, specifically designed to operate as a "Peaker"**, providing power to the Italian MSD (the power market for the dispatching services)

Hydrogen production for Decarbonisation

- **A further long-term initiative under study for Saras is the production of green and blue hydrogen**, as a sustainable energy vector to achieve decarbonisation; this is also strongly supported by the EU Commission, and incentivised under the provisions of the Green Deal
- **Saras already produces grey hydrogen at Sarroch refinery** (from IGCC plant and Reforming units), at approx. 120 kNcm/hr. Therefore, the Group already has technological capabilities and know-how in the production and management of this energy vector. Preliminary studies are being made to explore:
 - **Green Hydrogen production (from water electrolysis), using electricity produced from renewable sources** (with co-production of Oxygen to be used in the IGCC plant and in the refinery Sulphur plants)
 - **Blue Hydrogen production (from IGCC), with the construction of the CCS plant** to capture and reduce CO₂ emissions
- **Hydrogen will then be used in several ways:**
 - Desulphurisation/Hydrogenation of liquid fuels at Sarroch refinery
 - Fuel Cells for road transport (even if in competition with EVs)
 - Injection in the Sardinian natural gas network (reducing its carbon content)
- Electrochemical hydrogen production compensates overproduction & volatility of renewable power



Additional Information



Additional information: Refining

SARAS

EUR million	Q1/19 ^(*)	Q2/19 ^(*)	Q3/19 ^(*)	Q4/19 ^(*)	2019 ^(*)	Q1/20	Q2/20	Q3/20	
EBITDA	2.4	32.6	73.1	(42.0)	66.0	(123.8)	(42.9)	1.6	
Comparable EBITDA	10.0	(4.8)	78.4	40.9	124.3	19.5	(9.9)	(98.5)	
EBIT	(28.2)	0.1	39.5	(79.8)	(68.5)	(157.1)	(77.7)	(37.6)	
Comparable EBIT	(20.6)	(37.4)	44.8	3.1	(10.2)	(13.9)	(44.7)	(137.7)	
CAPEX	102.7	67.2	36.8	85.3	291.9	95.7	77.4	33.5	
REFINERY RUNS									
Crude oil (ktons)	2,653	3,571	3,555	3,392	13,172	3,138	2,293	2,903	
Crude oil (Mbl)	19.4	26.1	26.0	24.8	96.2	22.9	16.7	21.2	
Crude oil (bl/d)	215	290	282	269	263	255	184	233	
Complementary feedstock (ktons)	281	270	320	406	1,278	232	211	130	
REFINERY MARGINS									
EMC benchmark	1.1	0.2	3.0	0.0	1.1	1.3	(0.7)	(1.8)	
Saras margin	4.3	2.5	6.4	4.9	4.5	3.9	3.8	(1.5)	

(*) Starting from Q4/19, oil hedging derivatives and those on CO2 quotas have been reclassified within the reported EBITDA to better represent the Group's operating performance, consistently with what has already been done in the past with reference to the alternative performance (Non-GAAP measure). Moreover the criteria to determine comparable results have been fine tuned. To provide a better picture all 2019 quarterly figures have been reclassified according to the new methodology.



Additional information: Power Generation

EUR million	Q1/19 ^(*)	Q2/19 ^(*)	Q3/19 ^(*)	Q4/19 ^(*)	2019 ^(*)	Q1/20	Q2/20	Q3/20
Comparable EBITDA	37.0	48.8	37.3	28.7	151.8	30.3	16.4	37.3
Comparable EBIT	23.7	35.7	23.5	14.0	96.9	16.5	2.7	23.5
CAPEX	10.8	2.8	6.8	4.4	24.8	1.0	10.2	6.8
POWER PRODUCTION <small>MWh/1000</small>	988	883	1,114	1,091	4,075	1,185	801	1,021
POWER TARIFF <small>€cent/KWh</small>	9.2	9.2	9.2	9.2	9.2	7.9	7.5	7.6
POWER IGCC MARGIN <small>\$/bl</small>	3.8	3.4	2.5	2.3	3.0	2.5	2.7	2.9

(*) Starting from Q4/19, oil hedging derivatives and those on CO2 quotas have been reclassified within the reported EBITDA to better represent the Group's operating performance, consistently with what has already been done in the past with reference to the alternative performance (Non-GAAP measure). Moreover the criteria to determine comparable results have been fine tuned. To provide a better picture all 2019 quarterly figures have been reclassified according to the new methodology.



Additional information: Marketing

EUR million	Q1/19	Q2/19	Q3/19	Q4/19	2019	Q1/20	Q2/20	Q3/20
EBITDA	4.4	4.2	8.2	3.5	20.3	(0.8)	3.6	3.5
Comparable EBITDA	1.6	7.5	8.5	4.5	22.1	4.6	8.0	5.7
EBIT	3.7	3.4	7.4	2.8	17.3	(1.5)	3.0	2.7
Comparable EBIT	0.9	6.7	7.7	3.8	19.1	3.9	7.4	4.9
CAPEX	0.4	0.2	0.0	0.0	0.6	0.1	0.4	0.4
SALES								
(THOUSAND TONS)								
ITALY	505	522	587	542	2,155	437	412	545
SPAIN	371	324	359	366	1,418	281	203	292
TOTAL	876	845	945	908	3,574	718	615	837



Additional information: Wind and Others

Wind	(EUR million)	Q1/19	Q2/19	Q3/19	Q4/19	2019	Q1/20	Q2/20	Q3/20	
<i>Comparable EBITDA</i>		3.6	2.5	0.7	3.2	10.0	2.4	0.9	0.7	
<i>Comparable EBIT</i>		2.3	1.3	(0.5)	1.5	4.6	0.8	0.9	(0.9)	
POWER PRODUCTION		MWh	66,054	43,852	26,366	84,091	220,363	74,038	44,980	30,339
POWER TARIFF		€cent/kWh	5.6	4.5	4.7	4.2	4.7	3.9	2.0	4.1
INCENTIVE		€cent/kWh	9.2	9.2	9.2	9.2	9.2	9.9	9.9	9.9
CAPEX			0.9	18.9	2.4	4.1	26.4	0.3	0.6	0.8

Others	(EUR million)	Q1/19	Q2/19	Q3/19	Q4/19	2019	Q1/20	Q2/20	Q3/20
<i>Comparable EBITDA</i>		1.5	1.1	0.9	2.1	5.6	(0.1)	(0.4)	(0.1)
<i>Comparable EBIT</i>		1.2	1.0	0.7	1.8	4.7	(0.3)	(0.4)	(0.3)
CAPEX		0.2	0.1	0.1	0.4	0.8	0.3	0.1	0.1



Additional information: Key Balance Sheet Figures

EUR million	31/03/2019	30/06/2019	30/09/2019	31/12/2019	31/03/2020	30/06/2020	30/09/2020
Trade receivables	252	264	347	352	187	247	261
Inventories	1,019	1.063	1.206	1.041	599	725	724
Trade and other payables	(1,217)	(1.414)	(1.540)	(1.649)	(1.084)	(1.057)	(916)
Working Capital	54	(87)	12	(256)	(298)	(84,3)	68,6
Property, plants and equipment	1,166	1.212	1.227	1.273	1.330	1.377	1.367
Intangible assets	101	94	86	78	71	64	56
Right of use (IFRS 16)	51	50	44	50	49	47	44
Other investments	1	1	1	1	1	1	1
Other assets/liabilities	(4)	13	12	46	136	38	112
Tax assets / liabilities	(86)	(132)	(96)	35	69	(18)	(130)
Other Funds	(214)	(163)	(181)	(204)	(153)	(163)	(183)
Assets held for sale	35	39	7	7	7	1	6
Total Net Capital Invested	1,104	1.026	1.112	1.029	1.211	1.262	1.342
Total equity	1,100	1,054	1,097	1,059	940	880	886
Net Financial Position pre IFRS 16	48	77	29	79	(223)	(337)	(413)
IFRS 16 effect	(52)	(49)	(44)	(49)	(48)	(45)	(43)
Net Financial Position post IFRS 16	(4)	28	(15)	30	(271)	(382)	(456)