First Quarter 2022 results

May 16th, 2022

SARAS

AGENDA

- Q1/22 Highlights and Scenario
- New Refining benchmark: EMC reference margin
- Q1/22 Segment review
- Outlook
- Back-up:
  - Financials
  - Additional Information

Important Notice

NON-GAAP MEASURE
ALTERNATIVE PERFORMANCE INDICATORS

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 realised and unrealised gains/losses on commodity and CO_2 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.

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.

With effect from Q1/21 the Group decided to adopt a new segment reporting consistent with the change introduced by the transition from the CIP6 / 92 contract to the essentiality regime in the operating modes of the Sarlux plant, which takes into account the very high level of integration of the power plant with the refinery. The Group's activities are therefore represented in two segments: Industrial & Marketing, which includes integrated refining and power generation and Marketing, whose plants are highly integrated with refinery logistics. Also included in the segment are the activities previously included in the "Other Activities" segment, headed by the Group’ companies Sartec and Reasar, whose technical services are also dedicated to refining. Renewable, which includes the activities previously included in the segment called "Wind", in line with the development plans in the field of photovoltaics and green hydrogen.

In addition, in order to consistently represent the performance of the Group's activities, the historical financial results have been restated according to the new business segments identified as described above.

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.

Q1/2022 Highlights

EUR million	Q1/22	Q1/21
Reported EBITDA	**156.3**	**27.1**
Reported Net Result	76.6	(23.8)
***Comparable* EBITDA**	**62.0**	**(11.2)**
Comparable Net Result	13.3	(47.0)

	March 31st 2022	December 31st 2021
Net Financial Position ante IFRS 16	**(445)**	**(453)**
Net Financial Position post IFRS 16	(489)	(494)

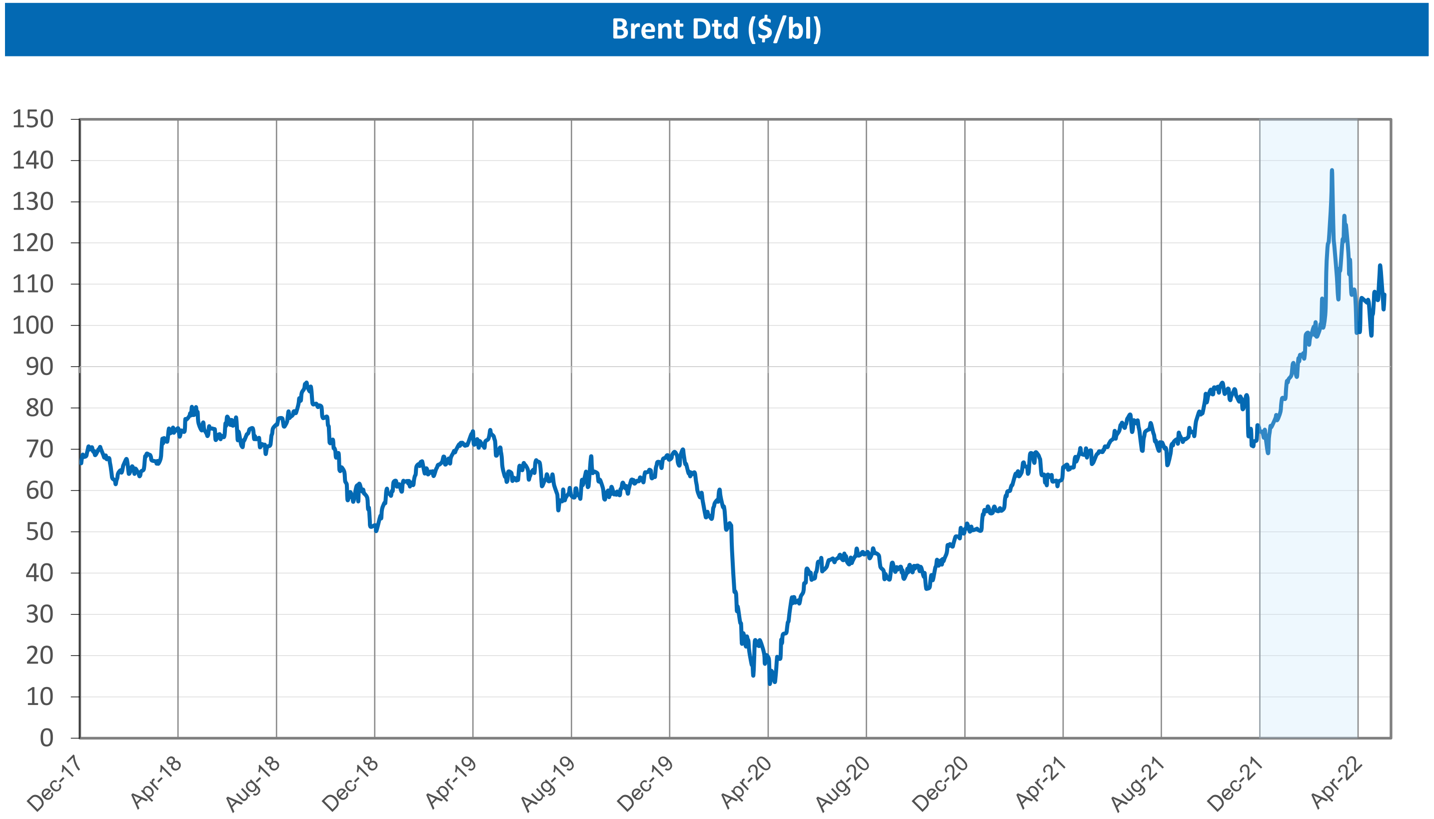
- **Q1/22 EBITDA *reported* at 156.3M€, improved significantly in light of a deeply changed scenario, despite low runs in the period (1)**
- **Q1/22 EBITDA *comparable* at 62.0€M not reflecting the positive effects of high prices on stock inventories included at the *reported* level**

Net Financial Position (ante IFRS 16) at -445M€ at March 31st 2022, substantially in line with the end of 2021 despite an increase in Net Working Capital (2) which offset the positive effect of the scenario. The positive impact of net WC on the NFP is expected in Q2/2022.

(1) Low runs at 20.5M/bl in Q1 2022 due to both high planned maintenance in January and February and a temporary closure of the port of Cagliari in March (about 15days)

(2) Increase in New Working Capital was due to the high level of inventories at the end of the quarter as a result of the closure of the port of Cagliari in the second half of March

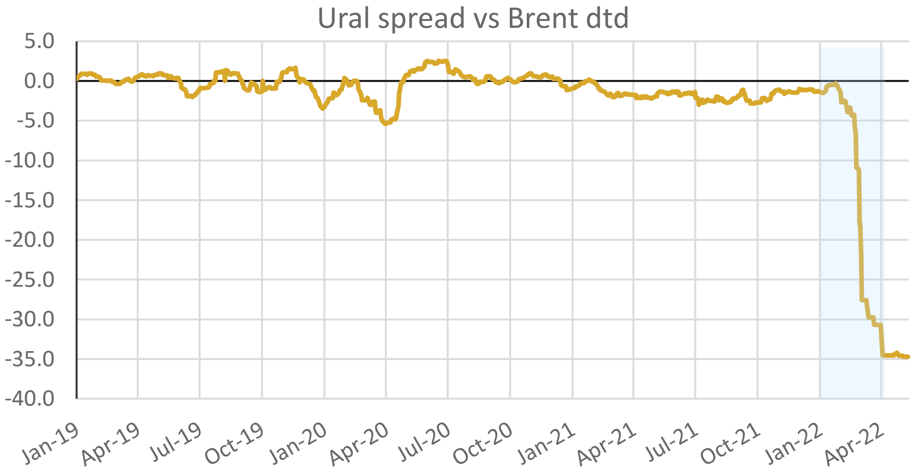
Brent Dated

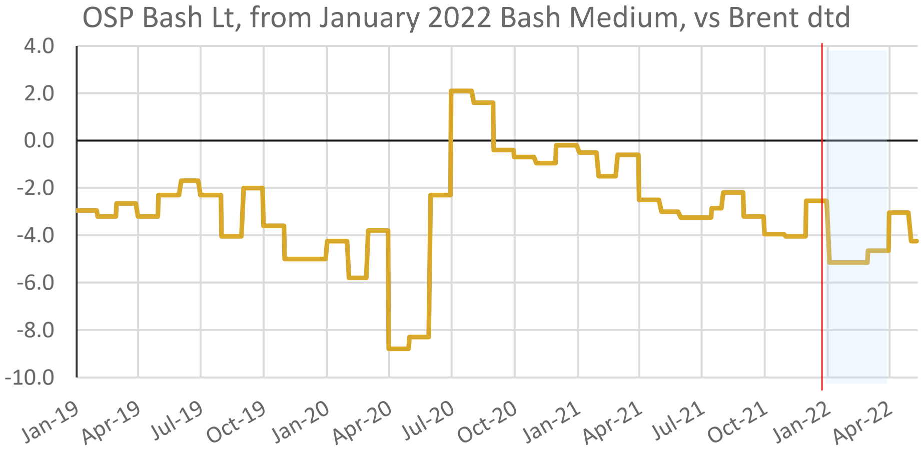


Source: S&P Global Platts

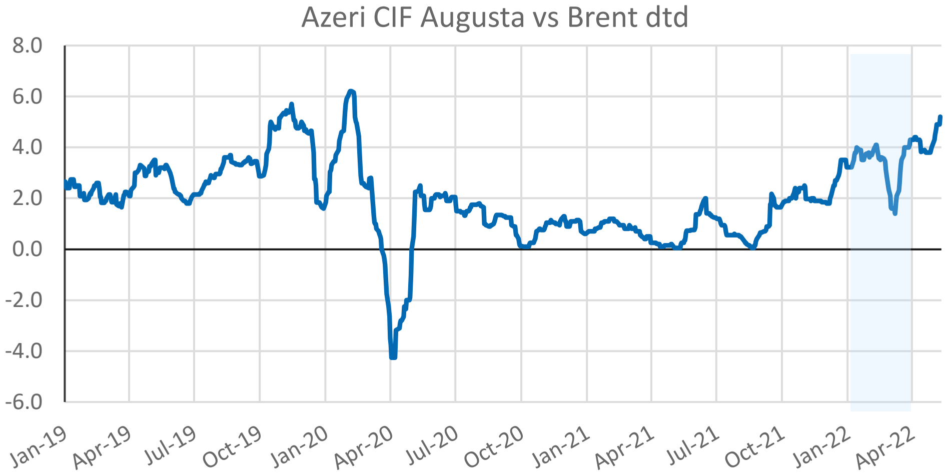
Crude Price Differentials

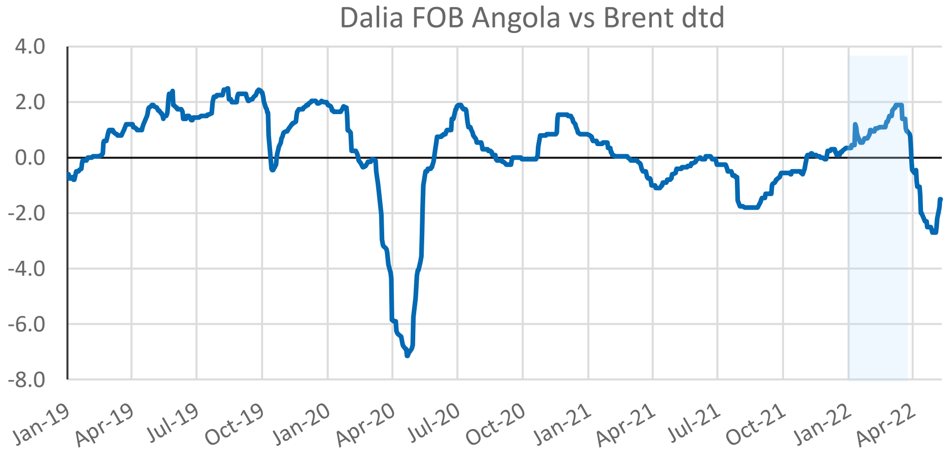
Sour Crudes differentials ($/bl)





Sweet Crudes differentials ($/bl)

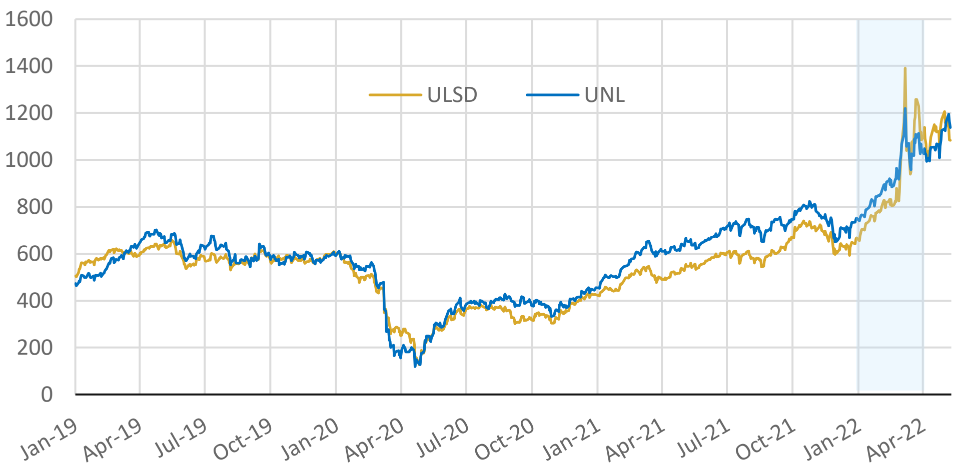




Source: S&P Global Platts

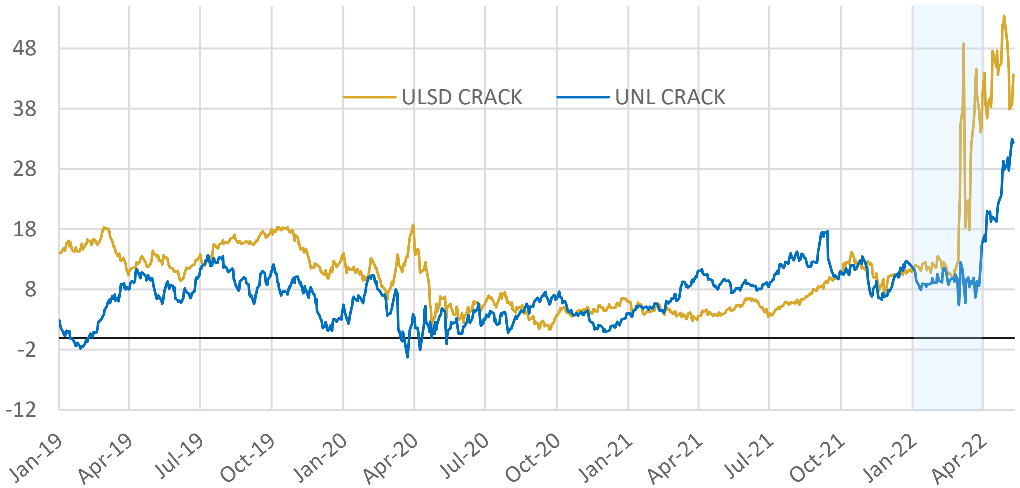
Distillate prices and cracks

Price Unleaded and ULSD Fob Med ($/ton)



- **Diesel and gasoline prices** showed a growing trend up to March 8th when diesel prices hit 1,380 $/ton (+454$/ton in one week) and Gasoline prices soared to 1,220$/ton (+226$/ton in one week)

Crack Unl and ULSD Fob Med vd Brent dtd ($/bl)

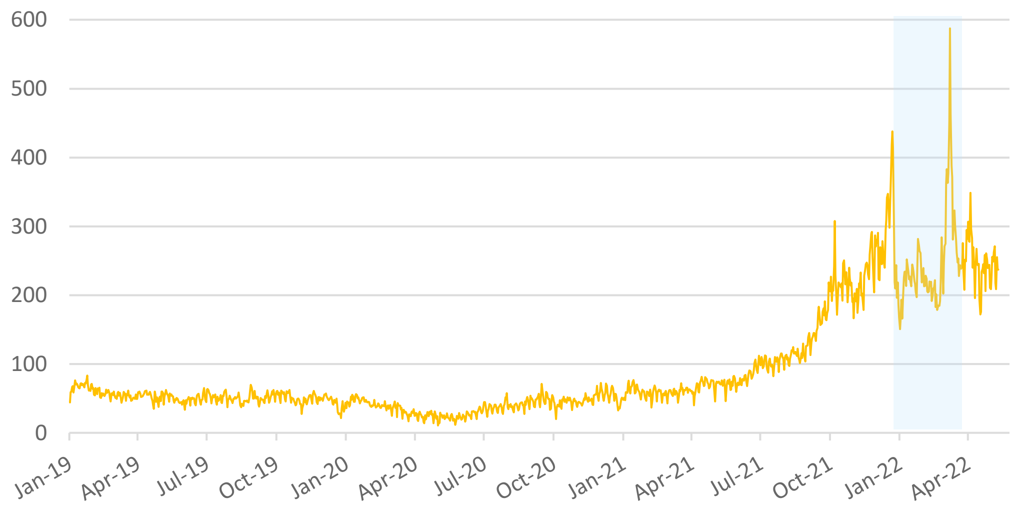


- **Diesel crack** remained substantially in line with the end of 2021 in January and February (on average 11.5$/bl) to reach 50$/bl on March, 8th (+36$/bl in one week)
- **Gasoline crack** remained slightly below the 2021 year end level in Q1/22 (10-12$/bl) to increase after the end of March

Source: S&P Global Platts

Energy costs: Power and CO2

PUN Price (€/MWh)



CO2 Price /EUA (€/ton)

- **In 2022 the estimated power consumption of the refinery is ~0.9 TW/h**[1] (procurement at spot "Sardinian zonal price" ~PUN price)
- **Average PUN price** was 248.1 €/MWh in Q1/22

- **In 2022 the estimated CO2 "shortage" is approx. 0.8 M/tons**
- **Average CO2 price** was 84.3 €/MWh in Q1/22

[1] 0.8TW/h is the need for electricity of the Sarroch plant, not including the IGCC needs to produce essential electricity, which are covered as the other variable costs as provided for by the «Essentiality regime»

New Refining benchmark: "EMC reference margin"

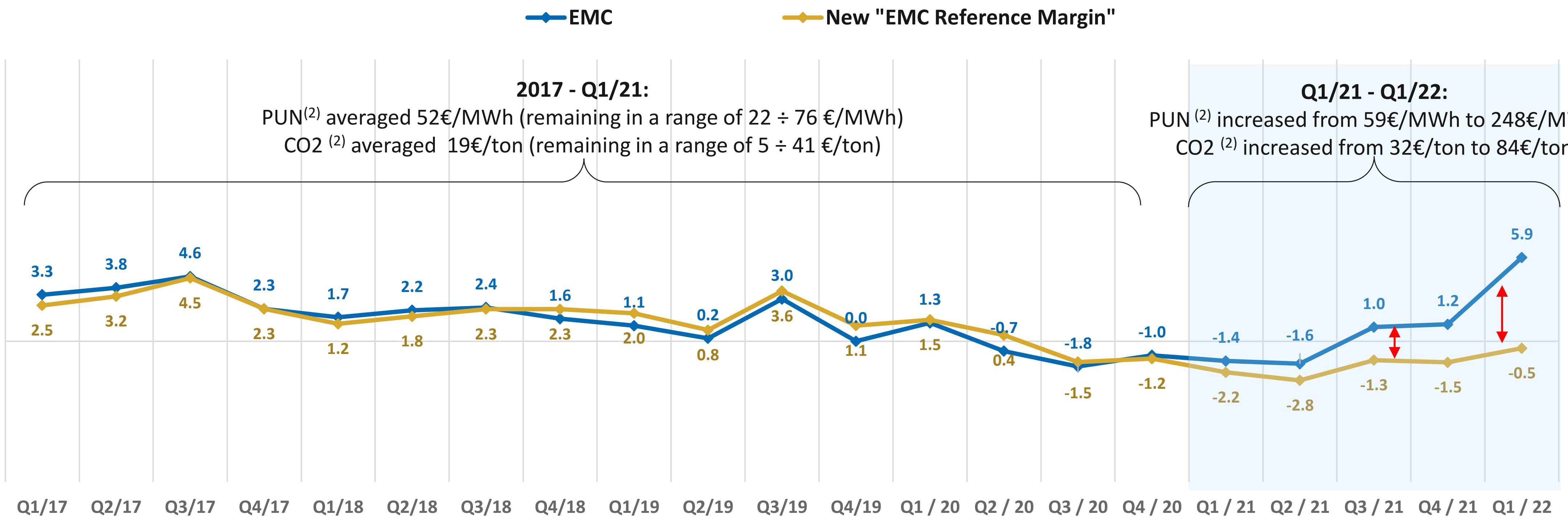
Saras has updated its Refining benchmark in order to overcome the main criticalities highlighted by the EMC benchmark

	EMC BENCHMARK	New EMC REFERENCE MARGIN (1)	In the new benchmark..
Crude Slate	50% Brent + 50% Urals (38,2 API) (30,2 API)	100% Brent (2) (34,2 API)	▪ Distortions related to current Ural discounts are removed ▪ Discounts achieved on Brent are included into the premium
Product yield	LPG 2% Gasoline + naphta 34% Middle distillates 45% VLSFO 0% LSFO 7% HSFO 8% C & L 4%	LPG 2% Gasoline + naphta 28% Middle distillates 52% VLSFO 5% LSFO 0% HSFO 7% C & L 6%	▪ Yields represent a medium-high complexity refinery in the Mediterranean Basin ▪ VLSFO is now present, given the growing importance of this product
Variable costs	2% of LSFO price + 0.30 $/bbl	EE price (MWh/bl) + CO2 price (ton/bl) + 0.5 $/bl	Power and CO2 Cost are included, to represent growing significance of these commodities

(1) The new EMC Reference Margin is calculated by Energy Market Consultants (FGE Group) and will be published on the Saras website on a weekly basis
(2) The new EMC Reference Margin considers a slate made of a virtual crude mix (34API), priced at 100% Brent FOB quotations

EMC Reference margin vs EMC benchmark historical trend

The comparison between the two benchmarks shows a substantial alignment in trend [(1)] up to the Q1/21, when the EMC benchmark began to no longer reflect the real impact of energy costs and, from late February, when the Urals price plummeted

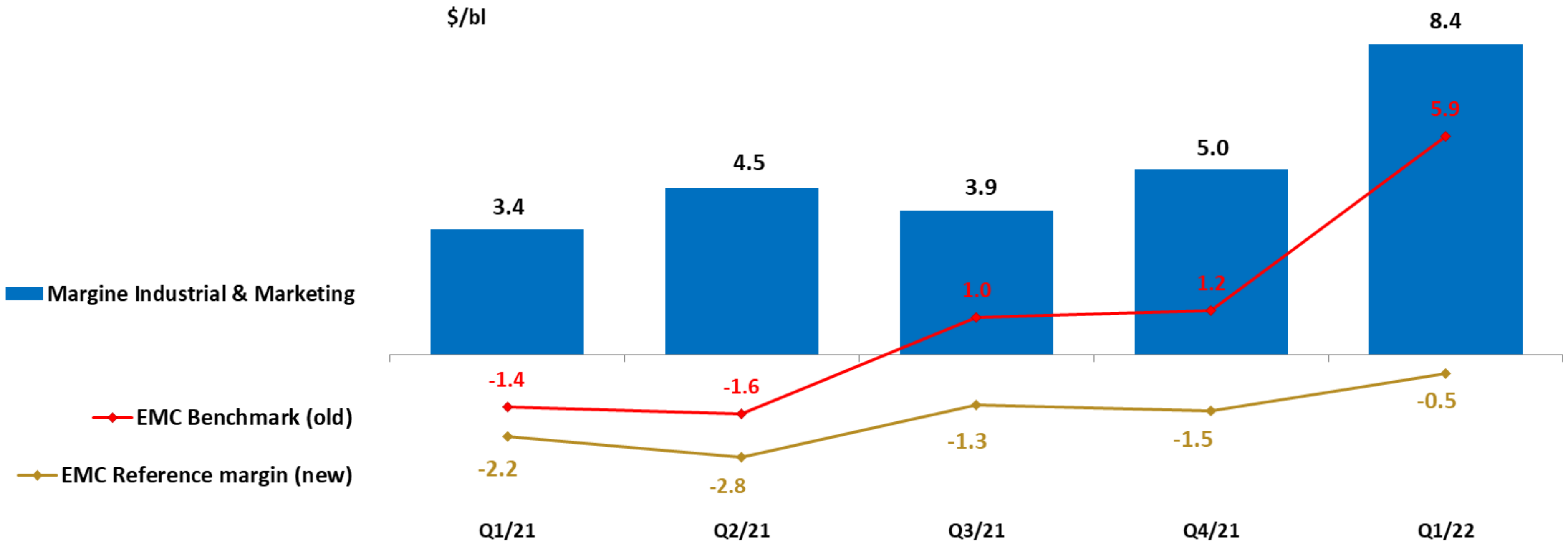


(1) The average quarterly difference between the 2 benchmarks stood at 0.04$/bl in the period 2017 – Q1/22

(2) Monthly average PUN and CO2

Saras Industrial & Marketing margins

Q1/22 Saras margin at 8.4$/bl with a premium at +8.9$/bl on a EMC Reference Margin at -0.5$/bl

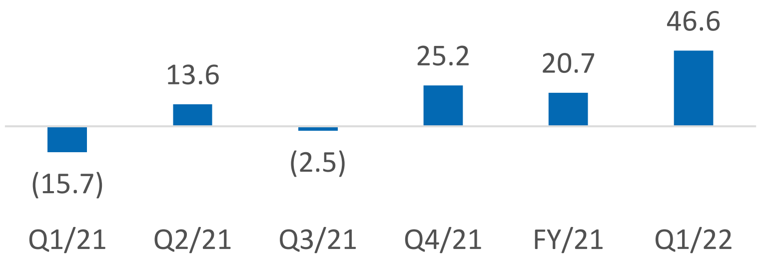


Including the Marketing margin at	0.3	0.6	0.9	0.7	0.5

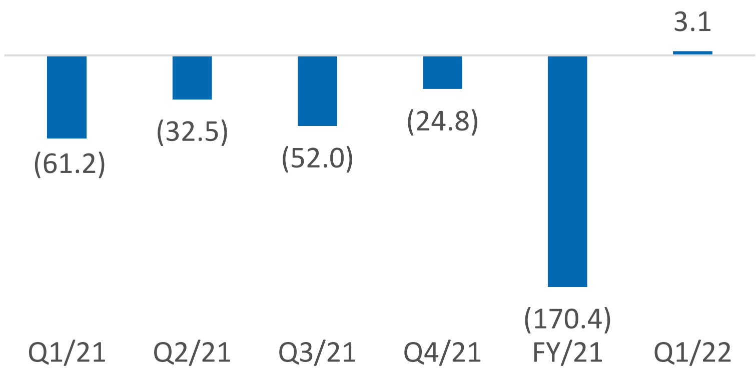
Segment Review

Segment Review: Industrial & Marketing

Comparable EBITDA (€M)



Comparable EBIT (€M)



Q1/22 *Comparable* EBITDA at 46.6 €M vs -15.7 €M in Q1/21, +62.3€M:

- **Oil scenario contributed positively for 136€M**
- **Operating performances lower by 42€M** [(1)], with lower runs due to planned maintenance and the severe closure of the port of Cagliari for bad weather in March.

  The weaker operating performance due mainly to:
  - Trading losses of 28€M due to the steep backwardation in the market structure and high volatility which reduced the effectiveness of the hedging activity [(2)]
  - Oil Planning accounted for[(3)] 17€M, affected by the unavailability and qualities of some light grades in a very complex context of crude oil supply
  - Maintenance accounted for lower 13€M
- **Variable costs increased by 33€M** (already net of the reintegration from the essentiality regime of 68€M), including higher electricity costs of 29€M and CO2 costs of 14€M, only partially offset by benefits from tax credits (TER Support Decree) of 16€M
- **Opex increased by 22€M** (net of 17€M covered by the “essentiality regime”) due to maintenance and to the lower personnel cost in Q1/21 (covered by the furlough plan)
- **Marketing EBITDA higher by 5.8€M** (equal to 5.7€M), thanks to higher margins in both Italy and Spain

		Q1/22	Q1/21	FY/21
Refinery runs	Mb	20.5	23.2	94.7
Electricity production	GW/h	0.840	0.615	3,524
Capex	*€M*	19.0	16.9	69.4

[(1)] It includes the depreciation repayment and remuneration of the capital invested for an amount of +16€M in Q1/22, according to the “essentiality regime” of the Power generation

[(2)] Production planning activity aims at optimizing the mix of raw materials brought into processing, in the management of semi-finished products, and in the production of finished products, including those with special formulations

Industrial & Marketing Crude Oil Slate and Production

REFINERY RUNS		Q1/22	Q1/21	FY21
Crude oil	*K tons*	2,804	3,185	12,978
Complementary feedstock	*K tons*	323	215	809

CRUDE OIL SLATE		Q1/22	Q1/21	2021
Light extra sweet		41%	45%	42%
Light sweet		10%	8%	7%
Medium sweet/extra sweet		0%	4%	5%
Medium sour		23%	27%	28%
Heavy sour/sweet		26%	16%	18%
Average crude gravity	° API	33.3	34.2	33.9

PRODUCTION (from crude runs and feedstock)		Q1/22	Q1/21	2021
LPG	*k tons*	79	77	269
	Yield	2.5%	2.3%	2.0%
Gasoline and naphta	*k tons*	902	990	4,023
	yield	28.8%	29.1%	29.2%
Middle distillates	*k tons*	1,561	1,617	6,683
	yield	49.9%	47.6%	48.5%
VLSFO 0.5%	*k tons*	62	146	728
	Yield	2.0%	4.3%	5.3%
Other	*k tons*	86	193	307
	Yield	2.8%	5.7%	2.2%
TAR	*k tons*	n.s.	n.s.	n.s.
	Yield			
Electricity production	*GWh*	840	615	3,524

Balance to 100% are Consumption & Losses, and TAR

Q1/22 vs Q1/21

Lower runs in Q1/22 due to the maintenance planned on toppings and on the regasification plant and to the port closure for 2 weeks in March

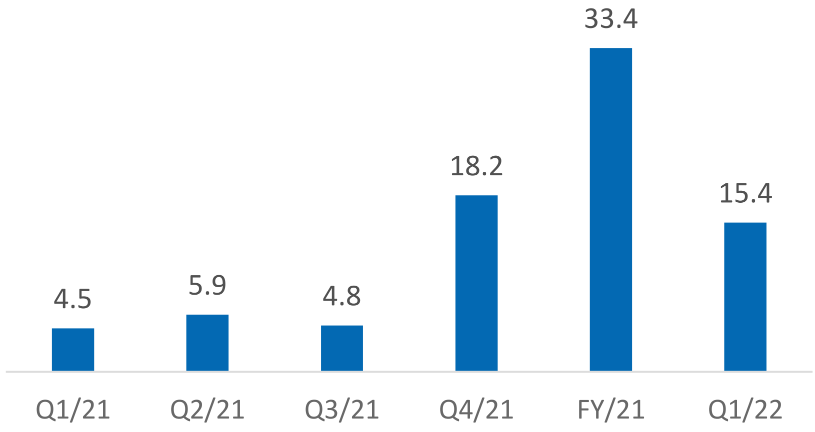
Gasoline and petchems yield substantially stable

Lower VLSFO yield towards an increased yield in middle distillates due to the changed market conditions and different maintenance plan in the two quarters

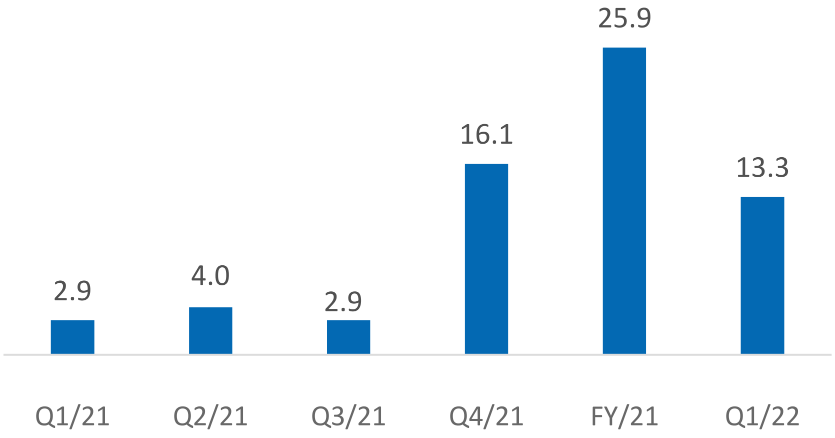
In the integrated I&M segment Energy Production is the “output” in place of TAR

Segments Review: Renewables

Comparable EBITDA (€M)



Comparable EBIT (€M)



Q1/22 *Comparable* EBITDA at 15.4€M vs 4.5€M in Q1/21, +9.9€M:

- **Power production** higher by 17% thanks to the +45MW of installed capacity at Macchiareddu and to the rebladed wind farms at Ulassai contributing for additional ~14GWh
- **Incentivized production represented ~17% of volumes in Q1/22 vs 8% of volumes** in Q1/21, due to the new incentivized capacity of the new farms of Macchiareddu
- **Power Tariff** increased to 17.4 Eurocent/KWh (5.4 Eurocent/KWh in Q1/21)
- **Incentive Tariff** averaged at 4.3 Eurocent/KWh (10.9 Eurocent/KWh in Q1/21)
- **Capex amounted to 5.1€M** (4.1€M in Q1/21) mainly referred to the acquisition of the property related to the new PV farm at Macchiareddu
- With regard to the impacts of the Law Decree No. 4, known as the “Sostegni-ter Decree”, dated 27 January 2022, in Q1/22 the production impacted by the application of cap price of 61 €/MWh is equal to the 42% of Sardeolica total production and that the application of this cap has reduced the EBITDA by 7.2€M.

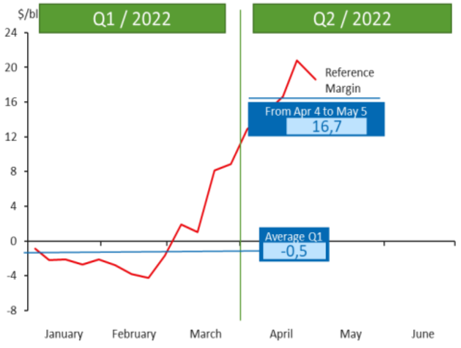
		Q1/22	Q1/21	FY/21
Power production	GWh	94.7	80.9	258.5
Capex	€M	5.1	4.8	8.4

Outlook 2022

Industrial & Marketing

- The Russian-Ukrainian war has disrupted usual supply patterns creating new flows of crude and severe shortages of oil products. Some effects are likely to be long lasting
- Very high demand for physical products, with **diesel and gasoline cracks** expected to remain robust through the year and **retail margins** to remain strong
- **Energy costs** subject to volatility of gas prices
- New **EMC reference margin** (-0.5$/bl in Q1/22) averaged ~16$/bl from the beginning of April to date
- **Opex** at 355 €M and **Capex** confirmed at 120 €M in 2022
- **Production /maintenance plan**: paradigm shift in market structure has changed supply chain economics which now are oriented towards maximizing runs

New EMC Reference Margin



		Q1/22	Q2/22E	Q3/22E	Q4/22E	2022E
Crude runs	*Tons (M)* *Barrels (M)*	2.8 20.5	3.6 ÷ 3.8 26.3 ÷ 27.7	3.3 ÷ 3.5 24.0 ÷ 25.5	3.6 ÷ 3.8 26.3 ÷ 27.7	13.3 ÷ 13.9 97.1 ÷ 101.4

- **Guidance on FY 2022** to deliver a +6.0÷7.0 $/bl average premium above the new EMC Reference margin (of which ~0.5$/bl from the Marketing channel)

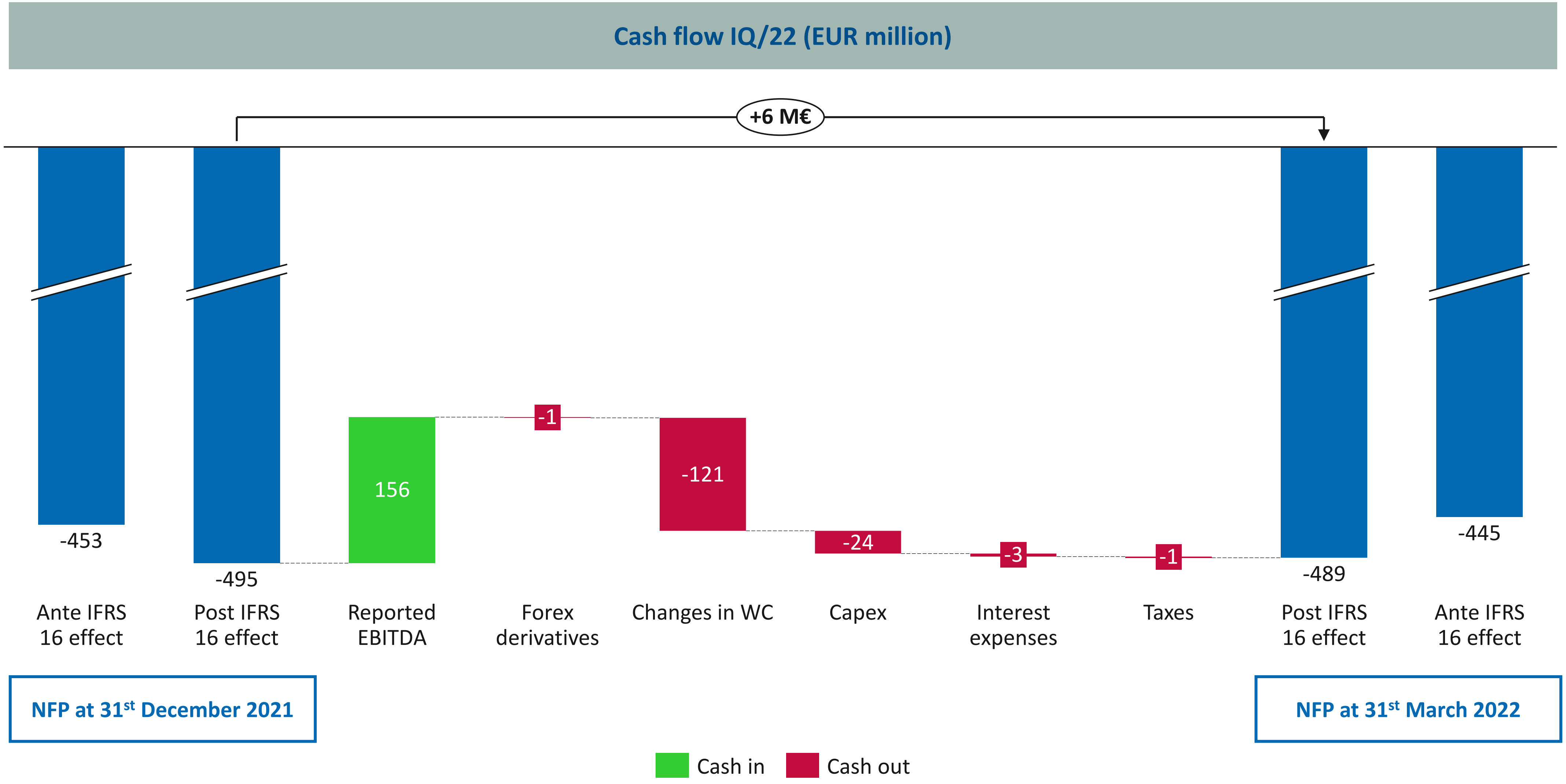
Renewables

- **Capex** at 27 €M in 2022 mostly related to the acquisition of the Helianto new property (Helianto farm expected to be up and running by the end of 2023
- Authorization process advancing and new approvals expected in 2023 with the target of 500MW of installed capacity by 2025 on track
- “Compensation" mechanism in place for the rest of 2022 (Italian Law “Sostegni Ter”) providing a cap price of 61€/MWh for non-incentivized Sardeolica production (~85% of the total installed capacity)

Group Net Financial Position expected to improve from current level in Q2/2022.

Financials

Financials: Net Financial Position evolution



Financials: Key Income Statement Figures

KEY INCOME STATEMENT (EUR million)	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22
EBITDA	**-87.1**	**27.1**	**81.6**	**4.8**	**163.6**	**277.1**	**156.3**
***Comparable* EBITDA**	**-20.8**	**-11.2**	**19.5**	**2.3**	**43.5**	**54.1**	**62.0**
EBIT	**-341**	**-20**	**33.6**	**-46.6**	**111.5**	**78.5**	**110.7**
***Comparable* EBIT**	**-239**	**-58.3**	**-28.5**	**-49.1**	**-8.6**	**-144.5**	**16.4**
Interest expense	-16.4	-5.5	-3.8	-5.8	-4.6	-19.7	-5.5
Other	2.5	-9.8	5.1	-1.6	-20.2	-26.6	1.3
Financial Income/Expense	**-14.1**	**-15.3**	**1.3**	**-7.4**	**-24.8**	**-46.3**	**-4.2**
Profit before taxes	**-355**	**-35.3**	**34.9**	**-54.0**	**86.7**	**32.2**	**106.4**
Taxes	79.4	11.6	-10.6	18.6	-42.5	-22.9	-29.8
Net Result	**-276**	**-23.8**	**24.3**	**-35.4**	**44.2**	**9.3**	**76.6**
Adjustments	78.5	-23.2	-48.1	-3.4	-70.5	-145.3	-63.3
***Comparable* Net Result**	**-197**	**-47.0**	**-23.8**	**-38.8**	**-26.3**	**-136.0**	**13.3**

Financials: Comparable Results Adjustments

EBITDA Adjustment (€/million)	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22
Reported EBITDA	**-87**	**27.1**	**81.6**	**4.8**	**163.6**	**277.1**	**156.3**
Gain / (Losses) on Inventories and on inventories hedging derivatives	32.2	-38.2	-62.8	-4.7	-120.7	-226.5	-87.8
Forex derivatives	5.3	-7.1	2.8	0.9	-12.5	-15.8	-7.7
Non-recurring items	28.8	7	-2.1	1.3	13.1	19.3	1.1
Comparable EBITDA	**-21**	**-11.2**	**19.5**	**2.3**	**43.5**	**54.1**	**62.0**

Net Result Adjustment (€/million)	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22
Reported Net Result	**-276**	**-23.8**	**24.3**	**-35.4**	**44.2**	**9.3**	**76.6**
Gain & (Losses) on inventories and on inventories hedging derivatives net of taxes	23.4	-27.6	-45.3	-3.4	-87.1	-163.3	-63.3
Non-recurring items net of taxes	55.2	4.4	-2.8	-	16.6	18.0	0.0
Comparable Net Result	**-197**	**-47.0**	**-23.8**	**-38.8**	**-26.3**	**-136.0**	**13.3**

Financials: CAPEX

CAPEX BY SEGMENT (EUR million)	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22
Industrial & Marketing	248.2	16.9	15.6	7.3	29.6	69.4	19.0
Renewables	7.5	4.8	2.9	0.7	0.0	8.4	5.1
TOTAL CAPEX	255.7	21.7	36.3	12.5	29.6	77.8	24.1

(1) 2020 historical financial results have been restated according to the new business segments

Balance Sheet

EUR million	31/03/2020	30/06/2020	30/09/2020	31/12/2020	31/03/2021	30/06/2021	30/09/2021	31/12/2021	31/03/2022
Trade receivables	187	247	261	257	231	439	439	547	658
Inventories	599	725	724	737	875	920	1,062	1,169	1,541
Trade and other payables	(1,084)	(1,057)	(916)	(917)	(1,079)	(1,297)	(1,291)	(1,581)	(1,920)
Working Capital	**(298)**	**(84)**	**69**	**77**	**27**	**62**	**210**	**135**	**278**
Property, plants and equipment	1,330	1,377	1,367	1,311	1,289	1,280	1,242	1,227	1,209
Intangible assets	71	64	56	47	46	45	42	42	41
Right of use (IFRS 16)	49	47	44	43	41	49	47	45	47
Other investments	1	0	1	1	1	1	1	1	1
Other assets/liabilities	136	38	35	52	75	32	11	(10)	74
Tax assets / liabilities	69	(18)	(53)	52	1	(45)	(30)	15	(67)
Other Funds	(153)	(163)	(183)	(253)	(250)	(158)	(224)	(167)	(224)
Assets held for sale	7	1	6	0	6	0	0	0	0
Total Net Capital Invested	**1,211**	**1,262**	**1,342**	**1,329**	**1,235**	**1,267**	**1,299**	**1,288**	**1,359**

Total equity	**940**	**880**	**886**	**785**	**760**	**788**	**752**	**794**	**870**
Net Financial Position pre IFRS 16	**(223)**	**(337)**	**(413)**	**(505)**	**(437)**	**(433)**	**(503)**	**(453)**	**(445)**
IFRS 16 effect	**(48)**	**(45)**	**(43)**	**(40)**	**(38)**	**(46)**	**(44)**	**(41)**	**(44)**
Net Financial Position post IFRS 16	**(271)**	**(382)**	**(456)**	**(545)**	**(475)**	**(479)**	**(547)**	**(494)**	**(489)**

Additional Information

Industrial & Marketing Fixed & Variable costs

		Q1/22	Q1/21	Δ	FY21
Refinery runs	*Million barrels*	20.5	23.2	-2.8	94.7
Total variable costs	*EUR million*	**-150**	**-49**	**-101**	**-436**
of which:					
Industrial		-141	-40	-101	-398
Marketing		-10	-9	-1	-37
of which in “Essential Regime”		**68**	**-**	**68**	**164**
Net variable costs		**-83**	**-49**	**-34**	**-272**
Total fixed costs	*EUR million*	**-104**	**-81**	**-25**	**-337**
of which:					
Industrial		-100	-78	-22	-322
Marketing		-4	-3	-	-15
of which in “Essential Regime”		**17**	**-**	**17**	**45**
Net fixed costs		**-86**	**-81**	**-5**	**-292**

Additional information: Industrial & Marketing

EUR million	Q1/20	Q2/20	Q3/20	Q4/20	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22
EBITDA	(95)	(23)	36	(12)	94	23	75	0.0	146.1	243.7	140.9
***Comparable* EBITDA**	**54**	**14**	**(62)**	**(35)**	**(28)**	**(16)**	**14**	**(2.5)**	**25.2**	**20.7**	**46.6**
EBIT	(143)	(73)	(19)	(107)	(341.3)	(23)	29	(49.5)	96.1	52.6	97.4
***Comparable* EBIT**	**(6)**	**(35)**	**(117)**	**(94)**	**(240)**	**(61)**	**(33)**	**(52.0)**	**(24.8)**	**(170.4)**	**3.1**
CAPEX	**97.0**	**88.1**	**36.7**	**26.3**	**248.2**	**16.9**	**15.6**	**7.3**	**29.6**	**69.4**	**19.0**
REFINERY RUNS											
Crude oil (ktons)	**3,138**	**2,293**	**2,903**	**3,036**	**11,369**	**3,185**	**3,367**	**2,937**	**3,489**	**12,978**	**2,804**
Crude oil (Mbl)	**22.9**	**16.7**	**21.2**	**22.2**	**83.0**	**23.2**	**24.6**	**21.4**	**25.5**	**94.7**	**20.5**
Crude oil (bl/d)	**255**	**184**	**233**	**241**	**229**	**258**	**270**	**233**	**277**	**260**	**227**
Complementary feedstock (ktons)	**232**	**211**	**130**	**129**	**702**	**215**	**187**	**180**	**227**	**809**	**323**
REFINERY MARGINS ($/bl)											
EMC Reference margin (new)	**1.5**	**0.4**	**-1.5**	**-1.2**	**-0.2**	**-2.2**	**-2.8**	**-1.3**	**-1.5**	**-2.0**	**-0.5**
EMC benchmark (old)	**1.3**	**(0.7)**	**(1.8)**	**(1.0)**	**(0.5)**	**(1.4)**	**(1.6)**	**1.0**	**1.2**	**(0.2)**	**5.9**
Saras I&M margin	**6.9**	**7.3**	**2.0**	**2.7**	**4.7**	**3.4**	**4.5**	**4.9**	**5.0**	**4.5**	**8.4**

(1) 2020 historical financial results have been restated according to the new business segments

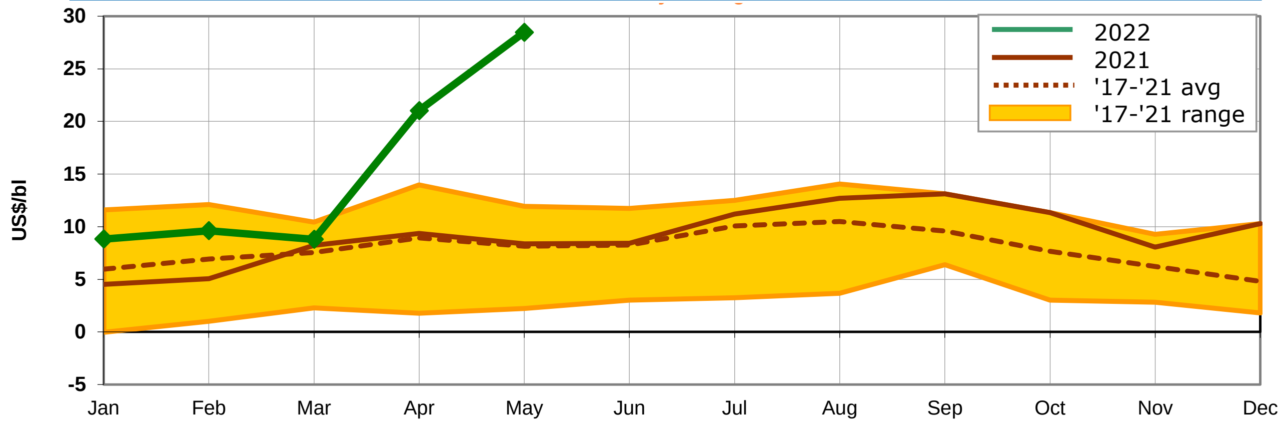
Additional information: Renewables

EUR million		Q1/20	Q2/20	Q3/20	Q4/20	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22
***Comparable* EBITDA**		**2.4**	**0.9**	**0.7**	**3.4**	**7.4**	**4.5**	**5.9**	**4.8**	**18.2**	**33.4**	**15.4**
***Comparable* EBIT**		**0.8**	**0.9**	**-0.9**	**1.8**	**0.9**	**2.9**	**4**	**2.9**	**16.1**	**25.9**	**13.3**
POWER PRODUCTION	*MWh*	**74,038**	**44.98**	**30.34**	**76,173**	**225,530**	**80,895**	**47,279**	**47,438**	**82,841**	**258,453**	**94,733**
POWER TARIFF	*€cent/kWh*	3.9	2	4.1	4.9	3.7	5.4	6.5	10.2	23.3	12.2	17.4
INCENTIVE	*€cent/kWh*	9.9	9.9	9.9	9.9	9.9	10.9	10.9	10.9	10.9	10.9	4.3
CAPEX		**0.3**	**0.6**	**0.8**	**5.9**	**7.5**	**4.8**	**2.9**	**0.7**	**0.0**	**8.4**	**5.1**

Distillate cracks historical trend

Margin cracks of gasoline and diesel were already back at their historical average

Med: Gasoline Crack spread vs Brent monthly averages ($/bl)



Med: Diesel Crack spread vs Brent monthly averages ($/bl)