2022 Shareholders' Meeting

- Approved the Saras S.p.A. Annual Financial Statements as at December 31st 2021 and examined the Group Consolidated Financial Statements
- Appointed the Board of Directors for 2022
- Approved the first section and expressed favourable opinion on the second section of the Remuneration Report

Milan, April 27h 2022 - The ordinary Shareholders' Meeting of Saras S.p.A. met today, on first call, with the possibility of participation of the Shareholders exclusively through Spafid S.p.A. - representative appointed exclusively pursuant to article 135-undecies of the Consolidated Finance Act (the TUF) - in compliance with the containment measures of the Covid-19 epidemic provided for by the applicable legal provisions, chaired by Massimo Moratti, who stated:

"2021 was still a difficult year for the refining sector: in the first half of the year, the long effects of the pandemic kept oil consumption low, and in particular that of diesel, the main product of our refinery. On the other hand, in the second half of the year, the surge in energy costs reduced the benefits obtained from the recovery in consumption. The latter, however, proved to be particularly robust from the end of the year, not only with reference to the demand for gasoline, but also to the demand of diesel, which had found it more difficult to return to pre-covid levels. In this context, our Group achieved markedly improved results compared to 2020, also thanks to the rationalization of industrial costs and the containment of investments. At the end of 2021 positive market fundamentals and a very robust oil demand allowed us to prepare a medium-term plan which included the return of a significant profitability of the Group in 2023. The Russian-Ukrainian crisis that broke out at the beginning of March disrupted the reference scenario, further pointing out the crucial role of traditional energy sources and fuels in the transition towards truly sustainable alternative resources. Beside the surge in gas prices, to which electricity prices are linked, the reluctance of the major Western oil companies to purchase Russian oil exports determined a drastic reduction in the supply not only of crudes, but also of oil products, and in particular of diesel, with effects that we believe can persist even after the resolution - hopefully as quickly as possible - of the crisis. In this environment, we want to highlight once again the role of Saras Group as a strategic player able to deliver oil products not depending on Russian crude and the consumption of gas - which our refinery does not use - and capable to supply electricity to the region of Sardinia, where we are present with our power plant which sources about 40% of regional electricity needs, and with 171MW of wind capacity. We are ready to give an effective contribution to the energy transition through an increasingly efficient and sustainable refining activity and the development of new renewable energy capacity with the aim of reaching 500MW by the end of 2025".

Approval of the Saras S.p.A. Annual Financial Statements as at December 31st 2021 and presentation of the Consolidated Financial Statements

The Shareholders' Meeting approved the **Saras S.p.A. Annual Financial Statements as at December 31st 2021, which recorded a net profit of EUR 30 million.**

During the Meeting, **the Consolidated Financial Statements as at December 31st 2021 were presented:**

In 2021, the Saras Group achieved better financial results compared to 2020, although the scenario was still affected by the persisting effects of the pandemic crisis caused by covid-19. In fact, a more substantial recovery in refining margins - particularly diesel oil crack margins– only took place starting from the second half of the year.

Specifically, since September, diesel refining margins, which were more affected than gasoline by the economic slowdown following the Covid crisis, showed a significant recovery in Europe, averaging 11.1 $/bl in the last quarter, a double-digit level not seen since early 2020. These values, while on the rise, did not reach the pre-Covid levels of around $14/bl. In 2021, European air traffic recovered considerably, although not completely, thanks to vaccination campaigns, reaching 64% of pre-Covid levels in January, rising to 70% during the summer, and 78% in December1. In the second half of the year, however, acceleration of consumption due to the post-pandemic recovery led to a surge in raw material costs and energy commodity costs, driving gas, electricity and CO2 prices to record levels and largely offsetting the benefits derived from improved margins.

Within this scenario, the Group continued in 2021 to implement the cost efficiency and investment reduction plan adopted in 2020 with the aim of minimising the impact of the Covid-19 pandemic crisis. In particular, on the operating costs front, during 2021 the Company internalised, through its subsidiary Sartec, its engineering activities and continued its plan to contain labour costs, through the use of the redundancy fund which was adopted to a partial extent for all group employees and extended in the second half of the year, although in a reduced form, with the implementation of a plan for incentivised voluntary termination of employment.

In addition, the refinery's operations were modulated over the months according to the cost-effectiveness of processing the main refined products: in particular, the production of gasoline was maximised due to its higher profitability compared to diesel, especially in the first part of the year and, at the same time, although representing a secondary component of the yield, to be noted is the increase in the production of VLSFO, the fuel oil with a very low sulphur content, which showed a growing marginality during the year thanks to a recovering maritime traffic.

As regards power generation activities, on 21st April 2021, following Resolution no. 598/2020/R/EEL of 29th December 2020, which included the Sarlux Srl IGCC combined cycle power plant among the plants essential for the safety of the electricity system for 2021, and following ARERA Resolution no. 152/2021/R/EEL of 13th April 2021, which defined the economic conditions for its operation in 2021, the transition from the CIP6/92 convention to the essentiality regime was finalised by adopting new technical and economic parameters.

At the same time, the Company continued to implement its plan to expand the Renewables segment, as set out in the Plan, with the acquisition in the second quarter of the year of an additional 45MW of installed wind power capacity, which, net of some maintenance activities, began operations immediately.

In 2021, Group revenues amounted to EUR 8,636 million, compared to EUR 5,342 million last year. The change is primarily attributable to the significant appreciation of the main oil products compared to the same period of the previous year which, we should point out, had been characterised by a heavy slump in prices due to the effects of the pandemic; specifically, the average gasoline price in 2021 was $671/tons (vs. $382/tons in 2020), while the average diesel price was $579/tons (vs. $362/tons in 2020). Other factors that contributed positively to the increase in revenues were electricity sales due to the significant increase in the single national price, which averaged 125/MWh in 2021 (vs. EUR 39/MWh in 2020) and higher processing and sales of petroleum products; in fact, it should be noted that in 2020, production was affected by the impact of the multiyear maintenance of the FCC plant and the adverse scenario conditions.

The Group's reported EBITDA in 2021 amounted to EUR 277.1 million, up from EUR -87.1 million in 2020. This positive change was due predominantly to the different impacts of commodity price trends on oil inventories. In 2021, the change in inventories (net of related hedging derivatives) benefited from an appreciation of EUR 226.5 million compared to a loss of EUR 32.2 million in the same period of 2020. In addition, for the remaining part of the improvement in EBITDA, there was an overall improvement in the impact of the oil scenario on margin generation and a negative impact from the increase in electricity and CO2 prices, which, starting from the second half of the year, increased variable costs (only partly offset by essential plant reimbursements). For other comments on operations, please refer to the "Segment Analysis" section.

The Group's reported Net Profit was EUR 9.3 million, compared to EUR -275.5 million in 2020. In addition to the EBITDA figures, depreciation and amortisation decreased in 2021 compared to the previous year, due on the one hand to the negative effect of the reduction in the value of property, plant and equipment as a result of the impairment test (pursuant to IAS 36) recognised in the previous year, and on the other hand to the reduction in intangible assets due to the end of the CIP6 contract; in addition, there was an increase in net financial income and expenses in 2021 due to the effects of exchange rate hedges.

The Group's comparable EBITDA in 2021 stood at EUR 54.1 million, up from EUR -20.8 million recorded in 2020. With respect to reported EBITDA, this result does not include the above-mentioned positive effect of the scenario on changes in inventories (net of related hedging derivatives) from the beginning to the end of the period, includes the impacts of currency derivatives (restated under core business) and excludes non-recurring items mainly relating to the price differential of the shares of CO2 pertaining to the previous year and to the writedown of trade receivables while it maintains the release effect of the unused incentive fund for approximately 4 million euros, as it is not relevant for comparable purposes value and nature. The higher result compared to 2020 is made up of a positive variance in both the "Renewables" and "Industrial & Marketing" segments, which will be described in more detail in the "Segment analysis" section.

The Group’s comparable net loss for 2021 was EUR -136.0 million, versus EUR -197.0 million in the same period last year.

Investments in 2021 amounted to EUR 77.8 million, significantly lower than in 2020. Investments related to the Industrial & Marketing segment amounted to EUR 69.4 million, down on the previous year due to both the initiatives to contain investments, implemented to mitigate the impact of the Covid-19 pandemic, and the lower planned shutdown activities carried out during the year. Investments relating to the Renewables segment amounted to EUR 8.4 million and mainly related to the completion of the reblading activities.

The Net Financial Position as of 31st December 2021, before the effect of applying IFRS 16, was negative by EUR 453 million, compared with a negative reported net financial position of EUR 505 million as of 31st December 2020. The Net Financial Position including the effects of IFRS16 (negative impact of EUR 41 million) was a negative EUR 495 million.

In 2021, operations, apart from the positive price changes in inventories, did not offset the disbursements related to the financing of investments and to financial expenses. As for the working capital, it should be noted that the trend in raw material prices generated an increase in trade payables that more than offset the increases related to inventory changes and the increase in trade receivables also induced by the performance of prices in finished products. It should be noted that trade receivables also include those relating to essential plant reimbursements.

It should be noted here that the additional credit lines granted and not used by the Group at 31st December 2021 are mainly short-term and amounted to approximately EUR 500 million. The bank loans referable mainly to the SACE credit line, and the Unicredit loan, have been classified among short-term loans for respectively EUR 258 million and 50 million. This is in application of the accounting standard IAS 1.74, which provides for this type of case where potential breaches of commitments which invalidate the mandatory right to defer the settlement of the liability until its natural expiry beyond twelve months. These payables will be reclassified in the medium-long term, according to their original contractual deadlines, upon receipt of the formal waiver of the banks (actually issued on March 31st, 2022) to make use of this contractual right..

Consolidated non-financial statement - 2021 Sustainability Report

The Consolidated Non-Financial Statement - Sustainability Report 2021 was also presented during the Meeting. It was prepared as a separate report from the Annual Financial Statements. This statement prepared pursuant to Legislative Decree no. 254/2016, is based on the standards of the Global Reporting Initiative (GRI - Sustainability Reporting Standards) and describes the responsibility and social commitment of the Group and the strategies of sustainable development for the creation of shared value, with utmost protection of health, safety and environment.

For information and details on the 2021 Sustainability Report - Consolidated non-financial statement pursuant to Legislative Decree no. 254/2016, refer to the complete document available on the Company website (www.saras.it).

Allocation of the result for the year

The Shareholders' Meeting approved the proposal of the Board of Directors to carry forward the profit for the year 2021.

Appointment of the Board of Directors

The Shareholders' Meeting resolved to set the number of members of the Board of Directors at 12 (twelve) (in line with as suggested by the outgoing Board regarding its quantitative composition). This was deemed suitable for ensuring the correct performance of corporate functions. It appointed the members of the new Board of Directors, which will remain in office for one year until the date of the meeting called to approve the financial statements as at 31 December 2021.

The new Board of Directors is composed of the following members:

Massimo Moratti	
Angelo Moratti	
Angelomario Moratti	
Gabriele Moratti	
Giovanni Emanuele Moratti	
Dario Scaffardi	
Adriana Cerretelli*	Independent Director
Laura Fidanza *	Independent Director
Isabelle Harvie-Watt **	Independent Director
Francesca Stefania Luchi*	Independent Director
Giovanni (also known as Gianfilippo) Mancini*	Independent Director
Patrizia Radice	

candidates on the list presented by the companies Massimo Moratti Sapa di Massimo Moratti (owner of 20.011%), Angel Capital Management S.p.A. (owner of 10.005%) and Stella Holding S.p.A. (owner of 10.005%), owners overall of 40.021% of Saras shares.

* Candidate in possession of the independence requirements provided for by article 147-ter, paragraph 4 of Legislative Decree 58/1998 and the additional requirements of the Corporate Governance Code .

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All the CVs of the Directors are available on the Company website.

Massimo Moratti expressed a heartfelt thanks to Gilberto Callera and Monica de Virgiliis, outgoing Directors, for the contribution and professionalism provided to the Company during their term of office and welcomed the new member of the Board of Directors, Ing. Giovanni Mancini and Ing. Patrizia Radice.

The meeting resolved to pay each Director who is a member of the Board of Directors for 2022 a gross annual remuneration of EUR 45,000. The meeting also authorised the exceptions to the competition prohibition pursuant to article 2390 of the Italian Civil Code in favour of Directors who do not hold executive positions.

Lastly, it is noted that on May 2nd 2022, the Board of Directors is going to meet to resolve on the offices and powers of the Directors and to appoint the Committees.

Remuneration Report in accordance with article 123-ter of Legislative Decree 58/1998

First section: approval of the 2020 remuneration policy pursuant to article 123-ter, paragraph 3-bis, of Legislative Decree no. 58/1998.

The Meeting resolved to approve – pursuant to article 123-ter, paragraph 3-ter, of Legislative Decree no. 58/1998 (TUF) and for all other legal and regulatory purposes – the remuneration policy for members of the Boards of Directors, Managing Directors and Key Executives with reference to 2020 and, without prejudice to the provisions of article 2402 of the Italian Civil Code, of the Board of Statutory Auditors, contained in the first section of the Remuneration Report.

Remuneration Report - second section: resolution pursuant to article 123-ter, paragraph 6, of Legislative Decree no. 58/1998. The Meeting expressed a favourable opinion on the second section of the Remuneration Report, pursuant to article 123-ter, paragraph 6, of the TUF.

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THE SARAS GROUP

The Saras Group, founded by Angelo Moratti in 1962, is one of the leading players in the European energy and oil refining industry. Through the Parent Company Saras S.p.A., and its subsidiaries, Saras Trading SA, based in Geneva, and Saras Energia SAU, based in Madrid, the Group sells and distributes oil products in the domestic and international markets. The Group also operates in the production of electricity, through its subsidiaries Sarlux S.r.l. (IGCC plant) and Sardeolica S.r.l. (wind plant). Moreover, the Group provides industrial engineering and research services to the oil, energy and environment sectors through its subsidiary Sartec S.r.l.. The Group has about 1,572 employees and total revenues of about EUR 8.6 billion as of 31 December 2021 (about EUR 5.3 billion as of 31 December 2020).