



## The Board of Directors of Saras S.p.A. approves the Interim Financial Report as of 31<sup>st</sup> March 2023<sup>1</sup>

- **Group reported EBITDA at EUR 246.4 million (EUR 156.3 million in Q1/22)** thanks to the high crack margins of oil products and to the operational performance of the refinery
- **Group reported Net Income at EUR 139.1 million (EUR 76.6 million in Q1/22)**
- **Group's Comparable EBITDA at EUR 285.3 million (EUR 62.0 million in Q1/22)** for the effects described for the reported results, excluding the impacts on inventory stock valuations
- **Group's Comparable Net Income at EUR 162.0 million (EUR 13.3 million in Q1/22)**
- **Positive Net Financial Position before IFRS16 at EUR 354.9 million (EUR 268.6 million at December 31<sup>st</sup> 2022)**

**Milan, May 10<sup>th</sup> 2023:** Saras S.p.A.'s Board of Directors met today and approved the Interim Financial Report as of 31<sup>st</sup> March 2023, which is not subject to audit review. It should be noted that, in accordance with EU Directive 2013/50 transposed with Italian Leg. Decree n.25 dated 15th February 2016, which repealed the obligation to prepare the Interim Financial Reports, this Interim Financial Report has been issued on a voluntary basis, in order to ensure information continuity to the financial community in line with previous quarterly disclosure.

## Key Group financial and operating results

EUR Million	Q1/23	Q1/22	Change %
REVENUES	3,466	2,950	18%
Reported EBITDA	246.4	156.3	58%
<b>Comparable EBITDA</b>	<b>285.3</b>	<b>62.0</b>	<b>360%</b>
Reported EBIT	200.0	110.7	81%
<b>Comparable EBIT</b>	<b>238.9</b>	<b>16.4</b>	<b>n.s</b>
NET RESULT reported	139.1	76.6	82%
<b>Comparable NET RESULT</b>	<b>162.0</b>	<b>13.3</b>	<b>n.s</b>

EUR Million	Q1/23	Q1/22	FY 2022
<b>NET FINANCIAL POSITION ANTE IFRS 16</b>	<b>354.9</b>	<b>(445.2)</b>	<b>268.6</b>
<b>NET FINANCIAL POSITION POST IFRS 16</b>	<b>315.7</b>	<b>(488.8)</b>	<b>227.5</b>
<b>CAPEX</b>	<b>41.1</b>	<b>24.1</b>	<b>105.7</b>

<sup>1</sup> The manager in charge of preparing the corporate accounting documents, Ing. Fabio Peretti, declares, pursuant to paragraph 2 article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documentary results, books and accounting records of the Company.

# GAAP and Non-GAAP measure

## Alternative performance indicators

To present the Group's operating performance in a way that best reflects the 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.

## Impacts of the Russian-Ukrainian conflict

The results for the first quarter of 2023 take place in an oil market context still affected, albeit to a lesser extent than in 2022, by the consequences of the Russian-Ukrainian conflict. In fact, the margins of the main distilled products remained on average still higher than historical values, highlighting the permanent pressure on prices caused by the absence of imports from Russia, the main supplier of middle distillates to Europe until the outbreak of the conflict, in a context characterized by low unused refining capacity, both in Europe and in the USA. The pool of middle distillates, however, despite having been the most affected by the reduction in imports from Russia during 2022, recording unprecedented levels, showed a downward trend in prices and margins during the first quarter of 2023, driven on the one hand by a progressive increase in supply from Asian countries, and in particular China, India and Turkey, which have not joined the sanctions, and on the other hand by a slowdown in demand from the industrial sector recorded in the main countries of the OECD area.

## Comments on the Group's results for the first three months of 2023

**In the first quarter of 2023, Group revenues amounted to EUR 3,466 million**, compared to EUR 2,950 million reported in the same period last year. The significant increase was due to the higher volumes produced and sold, which more than offset the negative impact of changed scenario conditions between the two periods. From the standpoint of industrial production, it should be noted that the main production variables were above the values recorded in 2022. Specifically, refining runs in the first quarter of 2023 amounted to 24.9 million barrels (vs 20.5 million barrels in 2022), non-renewable electricity production amounted to 1,089 GWh (vs 840 GWh in 2022). From a scenario perspective, the negative impacts of the reductions in the prices of the main oil products and in the sale price of electricity (in accordance with the Essentiality Regime agreement) were only partly offset by the exchange rate development, which was characterized by the weakening of the dollar against the euro. Specifically, in the first quarter of 2023 the average diesel price was 835 USD/ton (vs 906 USD/ton in 2022), the average gasoline price was 840 USD/ton (vs 934 USD/ton in 2022), the single national price for the sale of electricity (PUN) was 157 EUR/MWh (vs 249 EUR/MWh in 2022) and the EUR/USD exchange rate was 1.07 (vs the EUR/USD exchange rate of 1.12 in 2022).

**The Group's reported EBITDA amounted to EUR 246.4 million**, up from EUR 156.3 million in the first quarter of 2022. The positive change is mainly attributable to the improved scenario conditions characterized by a sharp increase in diesel and gasoline crack margins, a reduction in the price of Brent (partly offset by the persistence of the high premiums required for the procurement of light and low sulfur crude-oils) and a reduction in energy costs due to the reduction of the national single price. The performance was also superior on both the production and commercial fronts, which continued to benefit in the first quarter of 2023 from an environment favorable to the value enhancement of refinery production on all sales channels. As regards the price dynamics of commodities on oil inventories (net of the related hedging derivatives), these decreased by EUR 31.8 million compared to an appreciation of EUR 87.8 million in recorded in the same period of 2022. In the first quarter of 2023, there were no non-recurring items compared to a negative value of EUR 1.1 million in 2022. Lastly, it should be noted that the reported EBITDA for 2023 reflects the effect of the TER Support Decree and the 2023 Budget Law, respectively a reduction in energy costs by EUR 24.8 million and a limitation of sales tariffs for electricity generated from renewable sources (wind power) by EUR 3.3 million.

The Group's reported Net Income was EUR 139.1 million, compared to EUR 76.6 million in the first three months of the financial year 2022. In addition to what is shown at the EBITDA level, this variance is mainly attributable to higher current taxes, due to the increase in taxable income for the year.

The Group's comparable EBITDA stood at EUR 285.3 million, up from EUR 62.0 million in the first quarter of 2022. With respect to reported EBITDA, this result does not include the above-mentioned negative effect of the scenario on changes in inventories between the start and end of the period, includes the impact of exchange rate derivatives (reclassified under core business) and excludes non-recurring items. The increase compared to the first quarter of 2022 is attributable to the higher contribution generated by the "Industrial & Marketing" segment partly offset by a slight reduction in the contribution of the "Renewables" segment.

The Group's comparable Net Result amounted to EUR 162.0 million, an increase compared to the EUR 13.3 million achieved in the first quarter of 2022, due to the same phenomena described for the Reported Net Result, net of the negative effect of the scenario on inventory changes between the beginning and the end of the period.

Investments in 2023 stood at EUR 41.1 million higher than in the first quarter of 2022 (EUR 24.1 million); this increase is attributable to the Industrial & Marketing segment, to the increased activities of Turn Around and to the replacement of some catalysts.

### Calculation of the Group comparable EBITDA

EUR Million	Q1/23	Q1/22	Change %
<b>Reported EBITDA</b>	246.4	156.3	58%
Gain / (Losses) on Inventories and on inventories hedging derivatives	31.8	(87.8)	-136%
Derivatives FOREX	7.2	(7.7)	-193%
Non-recurring items	0.0	1.1	n.s
<b>Comparable EBITDA</b>	285.3	62.0	360%

### Calculation of the Group comparable Net Result

EUR Million	Q1/23	Q1/22	Change %
<b>Reported NET RESULT</b>	139.1	76.6	82%
Gain & (Losses) on Inventories and on inventories hedging derivatives net of taxes	22.9	(63.3)	-136%
Non-recurring items net of taxes	-	-	n.s
<b>Comparable NET RESULT</b>	162.0	13.3	n.s

# Net Financial Position

The Net Financial Position at 31 March 2023, before the effects of applying IFRS 16, was positive by EUR 354.9 million, compared to the positive position of EUR 268.6 million reported at 31 December 2022.

In the first quarter of 2023, cash flow totalled EUR 88 million. This flow is primarily attributable to operations, which, thanks to the high margins, generated EUR 251 million. The change in working capital absorbed EUR 114 million and is mainly attributable to a reduction in trade payables. Investments absorbed EUR 41 million, while the payment of interest and financial charges absorbed EUR 8 million.

Lastly, it should be noted that cash and cash equivalents at 31 March 2023 amounted to EUR 756 million and that this amount will be used in part for the payment of the dividend for the 2022 financial year, ordinary taxes and the remaining portion of the so-called "windfall tax".

EUR Million	31-Mar-23	31-Dec-22
Medium/long-term bank loans	(373.3)	(401.4)
Bonds	-	-
Other medium/long-term financial liabilities	(4.1)	(4.4)
Other medium/long-term financial assets	4.1	4.1
<b>Medium-long-term net financial position</b>	<b>(373.3)</b>	<b>(401.7)</b>
Short term loans	(118.1)	(118.6)
Medium/long-term bank loans (maturity date within 12 months)	-	-
Banks overdrafts	(12.4)	(12.1)
Other short term financial liabilities	(17.4)	(22.3)
Fair value on derivatives and realized net differentials	43.5	6.6
Other financial assets	76.7	109.6
Cash and Cash Equivalents	756.0	707.1
<b>Short-term net financial position</b>	<b>728.3</b>	<b>670.3</b>
<b>Total net financial position ante lease liabilities ex IFRS 16</b>	<b>354.9</b>	<b>268.6</b>
Financial lease liabilities ex IFRS 16	(39.2)	(41.1)
<b>Total net financial position post lease liabilities ex IFRS 16</b>	<b>315.7</b>	<b>227.5</b>

# Oil Market

## Oil market

Provided below is a short analysis of the trends followed by crude oil quotations, by the crack spreads of the main refined oil products, and also by the reference refining margin (EMC Benchmark) in the European market, which is the most relevant geographical context in which the Refining segment of the Saras Group conducts its operations.

	Q1/23	Q1/22
<b>Crude oil price and differential (USD/bbl)</b>		
Brent Dated	81.3	102.5
Diff. Basrah Medium (CIF Med) vs. Brent Dtd	-7.1	-3.2
Diff. Azeri Light (CIF Med) vs. Brent Dtd	+6.2	+4.1
<b>Crack spreads for refined oil products (USD/bbl)</b>		
ULSD crack spread	30.6	19.0
Gasoline crack spread	19.2	9.4
<b>Reference margin (USD/bbl)</b>		
Reference margin (NEW Benchmark)	10.1	-0.5

Source: "Platts" and Official Selling Prices for prices and crack spreads.

### Crude Oil Prices

**In the first three months of 2023, Brent Dtd recorded an average price of 81.3 USD/bbl compared to an average price of 102.5 USD/bbl in the same period of 2022, down when compared to the values recorded on average in the last quarter of 2022 (88.9 USD/bbl).**

The forecasts of growth in global oil demand, mainly linked to the recovery of China after the period of restrictions against the pandemic, were offset in the first part of the quarter by fears of a slowdown in global economic growth, due to the tightening of the restrictive policies of Western central banks to fight inflation. In March, macroeconomic concerns intensified following the collapse of some US banks linked to the tech sector, and the Credit Suisse crisis: the fear of repercussions on the entire banking sector and of a recessionary impact on the economy weighed further on Brent prices which in the third week of March reached 71 USD/bbl. At the end of the quarter, the intervention of the banking authorities aimed at avoiding a crisis in the credit system, together with macroeconomic data which highlighted a slowdown in inflation both in some European countries and in the USA, restored confidence on the markets. Brent therefore quickly returned to around 80 USD/bbl.

Finally, it should be noted that the market has not suffered from a lower supply of crude oils. In particular, the overall volumes of exports from Russia have not decreased compared to the period preceding the conflict: Russian crude oil, subject to the embargo by Western countries, has found new destinations, redirecting itself from the European market to the Asian one (in particular China, India and Turkey).

The average for the first quarter of 2023 compares with a Brent Dtd which in the same period of the previous year saw an upward trend driven by oil demand recovering to pre-Covid levels and, from the end of February, by the shock to imports from Russia following the invasion of Ukraine.

Unlike in the past, it was decided to no longer use the Russian "Urals" crude as a reference for high-sulfur crude (as it was subject to an embargo), but an Iraqi crude, Basrah Medium, which is regularly traded both in Europe and in Asian countries.

**In the first quarter of 2023, Basrah Medium CIF Med recorded an average discount compared to Brent Dated of -7.1 USD/bbl (vs. an average discount of -3.2 USD/bbl in the same period of the previous year), further expanding compared to an average of -6.6 USD/bbl in the last quarter of 2022.** This trend, with a progressively widening discount starting from the outbreak of the Russian-Ukrainian conflict, reflects the lower demand from Asian buyers (China and India in particular) who, not joining the embargo against Russia, have preferred to resort to Russian crude oils, whose discount with respect to Brent has widened significantly as a result of the Western sanctions.

On the other hand, during 2022 there was a significant appreciation of sweet crude oils (see Azeri), supported by the high margins of gasoline and diesel and preferred to crude oils with a high sulfur content, in a context of high energy costs, by virtue of the less

onerous desulfurization processes required by them. **The average premium of sweet Azeri crude oil in the first three months of the year stood at +6.2 USD/bbl (+4.1 USD/bbl in Q1/22)**, up from the average of +4.5 USD/bbl recorded in the last quarter of 2022, supported by the high gasoline crack.

#### **Crack spreads of the main refined products (the difference between the value of the product and the cost of crude oil)**

**In the first three months of 2023, gasoline crack recorded an average of +19.2 USD/bbl (+9.4 USD/bbl in the first quarter of 2022)**, an increase compared to the last quarter of 2022 (+13.4 USD/bbl). After the fluctuating trend recorded in the second half of 2022 and the marked seasonal decline recorded in December, the gasoline crack has returned to very sustained levels, supported by the resilience of consumption in Europe and overseas, albeit in an economic context held back by the inflation, and by a more intense maintenance season than in previous years, both in Europe and in the USA. In Europe, strike closures at some French refineries further reduced production. The average of gasoline crack thus marked an increase of 44% compared to the average values of the fourth quarter of 2022 (+13.4 USD/bbl).

**In the first three months of 2023, diesel crack (ULSD) recorded an average of +30.6 USD/bbl (+19.0 USD/bbl in the same period of 2022)**, down compared to the last quarter of 2022 (+45.1 USD/bbl), but still clearly higher than historical averages, due to the effects of European sanctions on imports of Russian diesel. After the still very high values in January (40.4 USD/bbl), the crack dropped to around 25 USD/bbl between February and March. Among the main causes are the high stocks created in view of the Russian embargo, and the increase in imports from Asia (Turkey, India and China). In general, with reference to the main refined products, and in particular with reference to middle distillates, similarly to what was described for Brent, it should be noted that despite the sanctions imposed by Western countries, Russia has increased the volumes destined for countries not joining the embargo, which, by allocating the cheaper Russian product to domestic consumption, have increased the exports from local refineries. On the demand side, the reduction in margins was affected by a lower use of diesel to replace gas in the face of a gas price that continued to fall during 2023, and milder winter temperatures than the seasonal average.

**In the first three months of 2023, the jet fuel crack recorded an average of +29.3 USD/bbl, (vs. an average of +15.3 USD/bbl in the first three months of 2022)**, also decreasing in this case compared to the last quarter of 2022 (36.6 USD/bbl), due to the effect - similarly to what was described for diesel - of the high volumes imported from non-EU refineries.

**In the first three months of 2023, the VLSFO crack recorded an average of -0.2 USD/bbl (compared to an average of 3.8 USD/bbl in the first quarter of 2022)**, an increase compared to an average of -3.7 USD/bbl in Q4 2022. Among the reasons for this recovery, there are lower imports from the Middle East compared to previous months, following some operational difficulties encountered in the new Al-Zour refinery in Kuwait. Furthermore, given the strong margins of gasoline, during the quarter many refineries preferred to allocate the Light Sweet residue to the light distillates cycle, rather than using it in VLSFO formulations.

**The fuel oil crack HSFO, even in the depressed context for ATZ crudes, recorded an average of -25.3 USD/bbl in the first quarter of 2023 (vs. an average of -21 USD/bbl in the first quarter of 2022)** up 32% compared to the average of the last quarter of 2022 (-31.9 USD/bbl). This trend, according to the indications of some analysts, is due to the growing number of ships equipped with scrubbers which allow the use of HSFO, to the detriment of the more expensive VLSFO, in the "East of Suez" naval trades.

## **Marketing**

In Italy, according to data collected by Unione Energie per la Mobilità (UNEM), in the first three months of 2023, the consumption of oil products showed an increase of +1.6% compared to the same period in 2022, but still lower (-1.4%) than in the first three months of 2019. The demand for gasoline continues to grow (+10.2% vs '22 and +9.4% vs '19) while that of diesel decreased in the first quarter (-0.6% vs '22 and -1.0% vs '19).

In Spain, the data compiled by CORES available up to the month of February show that in the first two months of 2023, the consumption of motorway fuels in Spain generally decreased by -4.5% compared to the same period of 2022, with an increase demand for gasoline (+1.3%) and a reduction in that for automotive diesel (-5.9%). Similarly, during the month of February alone, the consumption of motorway fuels decreased by -4.3% compared to February 2022. In particular, the demand for gasoline increased (+1.7%) while the consumption of diesel decreased (-5.7%).

## **Electricity and CO2**

**In the first three months of 2023, the PUN, in line with the trend experienced by natural gas, recorded an average price of 157 EUR/MWh (249 EUR/MWh in Q1 2022)**, a sharp decrease compared to the average of 244 EUR/MWh recorded in the last quarter of 2022.

The drop in natural gas prices can be attributed to the high imports of liquefied natural gas (LNG) to replace the reduced flows via pipeline from Russia, and to lower consumption compared to the historical seasonal averages, in the face of a particularly mild winter.

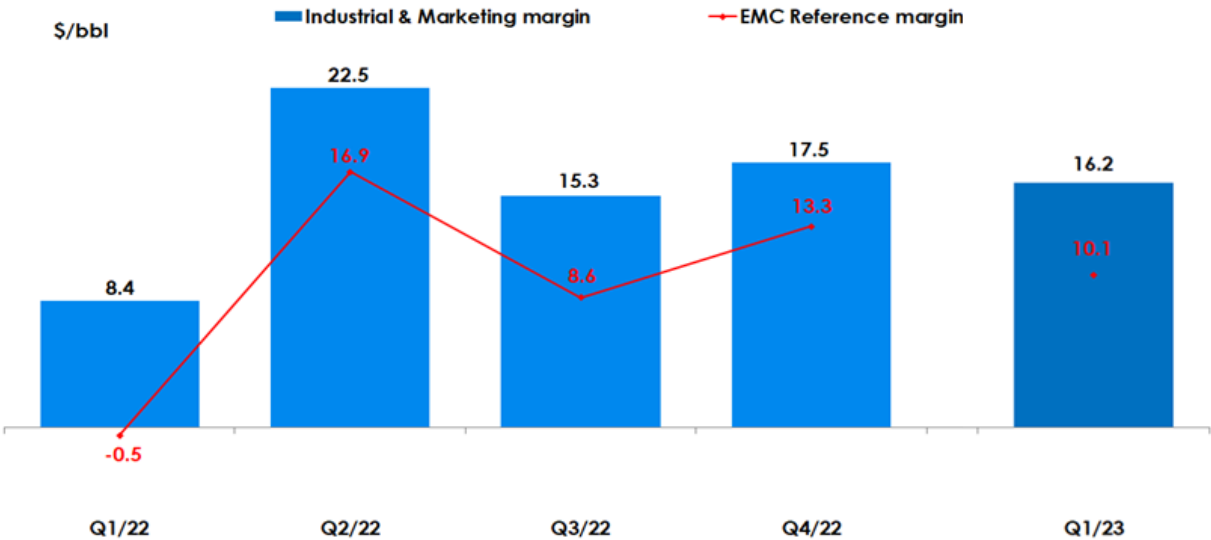
EUA quotations of European permits for carbon dioxide emissions recorded an average of 87 EUR/ton in the first three months of 2023, compared to an average of approx. 84 EUR/ton in the first quarter of 2022, and up from the average of about 77 EUR/ton recorded in the last three months of 2022.

### Refining margins and Saras Industrial & Marketing margin

With regard to the profitability analysis of the Industrial & Marketing segment, Saras uses the "EMC Reference Margin" refining benchmark as a baseline, against which the Saras refinery typically achieves a higher margin thanks to the high flexibility and complexity of its plants, as well as its industrial and commercial performance.

**In Q1 2023, the EMC Reference Margin, in light of the market context described in the previous paragraph, averaged 10.1 USD/bbl (vs. a negative average of -0.5 USD/bbl in Q1/22). Saras' margin was 16.2 USD/bbl (8.4 USD/bbl in the same period of the previous year), showing a premium of +6.1 USD/bbl (+8.9 USD/bbl in Q1 of 2022).**

The premium earned in the first quarter is at the upper end of the 2023 guidance range (which forecasts an expected annual premium of 5÷6 USD/barrel); it should be remembered that in high-margin environments, management's measures are aimed at achieving the margin offered by the market and maximizing processing, sometimes even at the expense of "second-tier optimizations" that may affect the relative premium with respect to the reference benchmark.



# Outlook

In the mid-April update of the WEO (World Economic Outlook), the International Monetary Fund issued cautious forecasts for global GDP growth, with estimates essentially unchanged from the January outlook: growth recorded in 2022, equal to 3.4%, will be limited to 2.8% this year and 3% in 2024 (0.1% lower in both periods than the January estimates). The restart of China, a driving force behind this year's growth, was confirmed at 5.2%. Growth for Europe and the USA is instead expected at 0.8% and 1.6% respectively. In fact, the Eurozone and the USA will have to discount the effects of the restrictive policies of the central banks to combat high inflation, and only partially recover this year, as well as having to manage the risks associated with rapidly rising interest rates in the banking system.

In the Oil Market Report issued in mid-April 2023, the International Energy Agency (IEA) confirmed the latest estimates that see **global oil demand** increase by 2 mb/d this year, rising to an average of 101.9 mb/d a figure that exceeds the pre-Covid average annual demand of 2019 (100.4 mb/d), and potentially surpassing 103 mb/d in the second half of the year. This expectation reflects a strong geographic disparity: non-OECD countries, supported by a recovering China, will account for the bulk of the growth, and will more than offset the reduction in demand in OECD countries. The latter, at the end of March, recorded lower demand for the second consecutive quarter compared to the same period of 2022. The main causes are the slowdown in industry and lower fuel consumption linked, on the one hand, to a milder than expected winter, and, on the other, to the greater use of gas, the price of which has steadily fallen in recent months. These phenomena mainly impact the demand for middle distillates, which are more closely linked to industry trends, while demand from the private sector, particularly gasoline, continues to show resilience. In the second part of the year, however, a strong boost to demand is also expected for middle distillates thanks to the recovery of jet/kerosene, with the return of Asian air traffic, which will indirectly boost the margins of the middle distillates pool.

**On the supply side**, the unexpected announcement on 2 April by the main OPEC+ member countries on a further production cut - by around 1 mb/d starting in May and throughout the rest of 2023 - has impacted the expectations of the main sector analysts, who already indicated a potential deficit in the oil market starting from the second half of the year. The latest cuts announced by OPEC+ are in fact part of an already tense crude oil market characterized by a low expansionary policy by the member countries of the organization, to which must be added the production cuts announced in February by Russia for approx. 500 kb/d from May and throughout 2023. In this context, the global supply of crude oil is consequently led by non-OPEC+ countries (primarily the United States and Brazil). The latest IEA estimates following the announcement of OPEC+ cuts anticipates that oil supply will average 101.1 mb/d in 2023, reflecting an imbalance between supply and demand, particularly evident in the second half of the year.

**The market trend in April** showed the prices of Brent Dtd rapidly rising above 88 USD/bbl following the announcement of the cut in production by the OPEC+ countries, and a return to lower levels around 82 USD/bbl at the end of the month, awaiting the announcements of the central banks on interest rates. In terms of refined product margins, gasoline and diesel averaged approx. 19 and 15 USD/bbl: in particular, diesel margins, while remaining higher than historical averages, recorded a downward trend, reflecting the increase in stocks previously described, caused by a partial slowdown in industrial demand in OECD countries, and by high import volumes from Asia and the Middle East. The prices of electricity and CO2 averaged respectively approx. 136 EUR/MWh, lower than the first quarter (157 EUR/MWh), and 91 EUR/ton, slightly higher than the first quarter average (87 EUR/ton).

The scenario just described, which is still volatile, together with the prevailing scenario assumptions among industry analysts<sup>2</sup> and the trend in the forward curves of oil, gas and electricity commodities, lead to the view that the scenario for 2023 is still positive, but more conservative than assumed at the beginning of March, particularly with regard to diesel margins, in light of the recent weakening of demand. However, market consensus continues to forecast a recovery in demand for middle distillates in the second half of the year driven by the Chinese recovery and an increase in jet fuel demand. Gasoline margins are expected to remain at high levels especially in the second and third quarters, thanks to strong seasonal demand, particularly in the American area. In light of these forecasts, the EMC Reference Margin in 2023 is expected to still be higher than historical averages, although lower than 2022 levels.

From an operational point of view, the projected maintenance plan is confirmed. In the first quarter, maintenance was carried out on the catalytic reforming, on a hydrocracker (MHC2) and on some distillation units (T2 and V2). Multi-year turnaround activities of the IGCC combined cycle gasification plant are confirmed in the second quarter as scheduled; at the same time, the second hydrocracker (MHC1) and an additional topping unit will be maintained (T1). In the second half of the year, no significant maintenance works are planned, except for some minor activities (a slowdown of the gasification and maintenance of one of the

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<sup>2</sup> Oil Market: Platts, WMC, FGE and Nomisma estimates (Apr'23); Electricity & Gas Market: estimates by Ref4E, Nomisma and Elemens (Apr'23); Note: for Q2\_23 forward curves @07/04 for Brent and Cracks; indication of Saras Supply Chain Management for premiums/discounts on crude oils.



desulfurization units). Overall, as regards the **annual refining runs of crude oil**, it will be in the order of about 93 ÷ 98 million barrels, to which about 7 million tons of complementary plant feedstock to the crude oil will be added. The production of electricity is confirmed – in line with the planned maintenance interventions and on the basis of an assumed essential power requirement – slightly lower (-5%) than the 2022 levels.

**Against these conditions, the Company confirms the guidance for 2023 to achieve an average premium over the EMC Reference Margin of between 5 ÷ 6 USD/bbl.**

As regards the **Renewables segment**, the installed capacity in 2023 was confirmed unchanged at 171 MW. The valuation of 2023 production, the measure introduced by Decree-Law no. 4 of 27/2022, so-called "TER Support," has been extended to the entire first half of the year: therefore, about 53% of the expected production in the year will be valued with a limitation to the maximum price of about 61 EUR/MWh. In addition to this measure, the 2023 Budget Law implementing EU regulation 2022/1854 established that, for the first half of 2023, the remaining part of production will be subject to a maximum price limitation of approximately 180 EUR/MWh. At present, no extensions of these mechanisms are expected for the second half of the year.

In terms of renewable development activities, Sardeolica is currently engaged in the construction of the 80 MW Helianto photovoltaic plant, which is proceeding as planned and is expected to be operational by the end of the first half of 2024. The authorization process for the development of over 100 MW of new greenfield wind capacity in Sardinia is also at an advanced stage.

As regards the **other projects launched by the Group as part of the energy transition strategy ("New Energies")**, Saras continues its collaboration with Enel Green Power, aimed at supplying green hydrogen to the Saras refinery through the use of an electrolyzer of about 20 MW powered by renewable energy. After the recognition of SardHy Green Hydrogen among the four Italian companies admitted to the European IPCEI Hy2Use program (the European Union initiative that supports the best projects related to the hydrogen value chain), discussions with MIMIT (Ministry of Enterprises and Made in Italy) are underway and the application for financial relief was submitted, based on the provisions of the Ministerial decree for the activation of the intervention of the IPCEI fund for these projects of common European interest in the field of hydrogen. In addition, preliminary activities were launched for the negotiation and definition of contracts for the supply of materials and for works tenders.

With regard to the Carbon Capture and Storage project, the collaboration with Air Liquide is proceeding, aimed at better defining the aspects relating to the entire development chain including logistics and transport, together with an estimate of costs and timing. In addition, activities launched in 2022 to access the European Green New Deal and Horizon funds dedicated to CCS and CCU (Carbon Capture and Utilization) projects, are under way.

With reference to the **Group's investments** in 2023, an amount of approximately EUR 180-190 million is confirmed, for the Industrial & Marketing segment, aimed at increasing efficiency and maintaining the competitiveness of the plants also in light of the reduced investments of the past two years, and equal to EUR 60-70 million for the Renewables segment. In particular, in the Industrial & Marketing segment, investments will be mainly concentrated in the multi-year turnaround of the IGCC plant, as well as in the HSE (Health, Safety & Environment) area and in the development of ICT, Digital and Cybersecurity projects. In the Renewables segment, investments will be mainly aimed at the construction of the Helianto photovoltaic park.

With regard to the expected trend of the **Group's Net Financial Position**, in the remainder of the year this will be affected by the payment of taxes (including those on "extra-profits"), dividends relating to 2022 and investments. However, the forecasts of cash flow generation and working capital trends (by virtue of the scenario and performance assumptions made by the Company) allow us to project a year-end Group Net Financial Position still in surplus although down from current levels.

# Conference call on May 10<sup>th</sup>, 2022, and other information

On May 10<sup>th</sup>, 2023, the Board of Directors of Saras SpA will meet in order to approve the First Quarter of 2023 Group's results. Subsequently a dedicated press release will be issued via SDIR and, at the same time, a slide presentation will become available on the company's website ([www.saras.it](http://www.saras.it)).

On the same day at 16:30 CEST, there will be a conference call for analysts and investors, during which the management will comment the results and answer to relevant questions.

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Link for the live webcast: <https://87399.choruscall.eu/links/saras230510.html>

Playback and transcript of the webcast will also be available on the company's website.

For enquiries, please contact Saras' Investor Relations Department.

This press release has been prepared pursuant to the Regulation implementing Legislative Decree 24th February 1998 number 58, adopted by CONSOB under resolution 14th May 1999 number 11971, as amended and supplemented. It is available to the general public on the Company's website under "Investors / Financial Press Releases", and also on the "1Info" authorised storage mechanism ([www.1info.it](http://www.1info.it)). Moreover, the Interim Financial Report as of 31<sup>st</sup> March 2023 is also available to the public at the Company's registered Office in Sarroch (CA) S.S. 195 Sulcitana Km. 19, on the Company's website under "Investors / Financial Reports", and on the "1Info" authorised storage mechanism.

## Investor Relations

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**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 Srl. The Group has about 1,576 employees and total revenues of about EUR 15.8 billion as of 31 December 2022.