The Board of Directors of Saras S.p.A. approves the Draft Financial Statements, the Group Consolidated Financial Statements and the Sustainability Report of the Group as of 31 December 2022

FY/22 Results

- **Group' reported EBITDA at EUR 1,170.3 million (EUR 277.1 million in 2021)** due to the increase in prices and crack margins of oil products and thanks to the operational performance of the refinery
- **Group' reported Net INCOME at EUR 416.9 million (EUR 9.3 million in 2021)** including the effect of the so-called "windfall tax"
- **Group's Comparable EBITDA at EUR 1,136.7 million (EUR 54.1 million in 2021)** for the effects described for the reported results, excluding the impacts on inventory stock valuations
- **Group's Comparable Net INCOME at EUR 709.8 million (negative by EUR 136.0 million in 2021)**, for the same dynamics described for reported results, excluding the impacts of non-recurring items such as the windfall tax
- **Positive Net Financial Position before IFRS16 at EUR 269 million (negative by EUR 453 million at December 31st 2021),** due to higher profitability in the year.
- **Proposal of a dividend – for the year 2022 - equal to EUR 0.19 per share**
- **Annual Shareholders' Meeting convened for 28th April 2023 (first call).**

Outlook 2023

- **Market scenario expected positive**[1]**,** albeit subject to volatility, with diesel refining margins still high compared to historical averages, gasoline margins in the process of normalizing, and energy costs still subject to gas price instability. These assumptions allow to forecast an EMC Reference Margin for 2023 higher than the historical averages, albeit lower than that recorded in 2022.
- **2023 Saras average annual premium expected in the range of 5÷6 $/bbl** above the EMC Reference Margin
- **Investments in the Industrial & Marketing segment of approx. EUR 18-190 million** to guarantee the efficiency and competitiveness of the refinery
- **The Renewables expansion plan continues** along with the construction of the 80MW Helianto photovoltaic farm and the authorization process, now in an advanced stage, for new projects, with **investments in 2023 of. approx. EUR 60-70 million**
- **The projects launched by the Group in the energy transition strategy ("New Energies") continue** with collaborations in the Green Hydrogen and CCS fields

After the Board meeting, Saras' **Chairman, Massimo Moratti,** commented: "*The profound changes in the global oil market which have occurred and characterized last year, have brought the issue of energy security to the forefront, especially in Europe. In a state of emergency, while coming out of the crisis of the two previous years which had been impacted by the pandemic crisis, Saras, thanks to its own distinguishing resilience, has confirmed to be a point of reference among energy suppliers, providing its fundamental contribution to the energy security of the country and beyond. The refinery, working at full runs, was able to promptly meet a strong increase in demand. The outstanding results obtained allowed to return to a positive financial position, thanks to which we can recognize our shareholders a return in line with the current dividend policy, notwithstanding the impact related to the so-called contribution on extra profits. These results, together with a market scenario which, despite the uncertainty, still promises to be favourable in the short and medium term, and along with the flexibility of our business model, represent the pillars to develop a strategy capable of seizing market opportunities that we see both in the traditional energy sources and in the global energy transition. We are certain that this path will ensure the company a sustainable growth over time, in the interest of all stakeholders*".

[1] On the basis of the prevailing scenario hypotheses of the main sector analysts and the trend of the forward curves of the oil, gas and electricity commodities

EUR Million	2022	2021
REVENUES	15,836	8,636
Reported EBITDA	1,170.3	277.1
Comparable EBITDA	**1,136.7**	**54.1**
Reported EBIT	965.7	78.5
Comparable EBIT	**945.3**	**(144.5)**
NET RESULT reported	416.9	9.3
Comparable NET RESULT	**709.8**	**(136.0)**
NET FINANCIAL POSITION ANTE IFRS 16	**269**	**(453)**
NET FINANCIAL POSITION POST IFRS 16	**227**	**(495)**
CAPEX	**105.7**	**77.8**

Milan, 15 March 2023: Saras S.p.A.'s Board of Directors met today and approved the Group Consolidated Financial Statements and Saras S.p.A.'s Draft Financial Statements as of 31 December 2022, the Sustainability Report including, among other disclosures, non-financial and diversity information pursuant to Legislative Decree 254/2016, and a set of ESG KPIs.

The Board of Directors resolved on a proposal to the General Meeting of Saras SpA's shareholders for the distribution of a dividend of EUR 0.19 per share. The dividend will be paid on 24 May 2023, with coupon detachment on 22 May 2023.

In addition to the approval of the Financial Statements of the Saras S.p.A. as at 31 December 2022 and the appointment of the Board of Directors, the Shareholders' Meeting will also be called to resolve on the appointment of the statutory auditor for the nine-year period 2024-2032.

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The 2022 Financial Statements have been submitted to the Board of Statutory Auditors and the Independent Auditors and, together with the other documents referred to in Article 154-ter of Legislative Decree no. 58/1998 (Consolidated Financial Act), they shall be made available to the general public at the company's registered office and will also be published on the company's website (www.saras.it) in due course, as prescribed by the current regulations.

The manager in charge of financial reporting, Franco Balsamo, states, pursuant to paragraph 2, article 154-bis of the Consolidated Finance Act, that the accounting information in this press release corresponds with the Company's documentation, ledgers, and accounting entries.

Attached are comments on the results of the Group and of the individual business segments, the business outlook, the consolidated and separate statements of equity and financial position, the statement of comprehensive income, the statement of changes in shareholders' equity and the cash flow statement, for the Consolidated Financial Statements of the Group as well for the Financial Statements of Saras S.p.A.

Regarding the estimates and forecasts contained in this document, in particular with regard to the strategy and business outlook, it should be noted that actual results may differ, even significantly, from those indicated, because of a multitude of factors, including: future developments in the prices of crude oil and refined products, operating performance of plants, impact of regulations on the energy sector and on environmental matters, other changes in business conditions and in the evolution of competition at a global level.

This press release has been prepared pursuant to the Regulation implementing Legislative Decree No. 58 of 24 February 1998, adopted by Consob with resolution No. 11971 of 14 May 1999, as amended. It is available to the public on the company's website, in the "Investors/Financial Press Releases" section and also at the authorized storage mechanism for regulated information, "1info" (www.1info.it).

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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.

ANNEX

GAAP and Non-GAAP measures

Alternative performance indicators

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

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

Key financial and operational Group Results

EUR Million	FY 2022	FY 2021	Change %	Q4/22	Q4/21	Change %
REVENUES	15,836	8,636	83%	3,871	2,797	38%
Reported EBITDA	1170.3	277.1	322%	115.9	163.6	-29%
Comparable EBITDA	**1136.7**	**54.1**	n.s.	**319.7**	**43.5**	n.s.
Reported EBIT	965.7	78.5	n.s.	52.5	111.5	-53%
Comparable EBIT	**945.3**	**(144.5)**	n.a.	**269.5**	**(8.6)**	n.a.
NET RESULT reported	416.9	9.3	n.s.	69.7	44.2	58%
Comparable NET RESULT	**709.8**	**(136.0)**	n.a.	**260.0**	**(26.3)**	n.a.

EUR Million	FY 2022	FY 2021
NET FINANCIAL POSITION ANTE IFRS 16	**269**	**(453)**
NET FINANCIAL POSITION POST IFRS 16	**227**	**(495)**
CAPEX	**105.7**	**77.8**

COMMENTS ON THE GROUP'S RESULTS FOR 2022

In 2022, Group revenues amounted to EUR 15,836 million, compared to EUR 8,636 million last year. The significant increase is related to both the changed scenario conditions and the higher volumes produced and sold between the two periods. From a scenario perspective, the variables that had the greatest impact were the appreciation of the main oil products, the increase in the sale price of electricity (in accordance with the Essentiality Regime agreement) and the exchange rate trend characterized by the strengthening of the dollar against the euro. Specifically, the average price of diesel in 2022 was 1,039 USD/ton (vs. 579 USD/ton in 2021), the average price of gasoline was 991 USD/ton (vs. 671 USD/ton in 2021), the single national price for the sale of electricity (PUN) was 303 EUR/MWh (vs. an average sale price of 125 EUR/MWh in 2021 related both to the performance of the CIP6 tariff, until its expiry, and to the subsequent performance of the PUN regulated within the essentiality contract) and the EUR/USD exchange rate was 1.05 (vs. EUR/USD exchange rate of 1.18 in 2021). From the standpoint of industrial production, it should be noted that all main production variables were above the values recorded in 2021. More specifically, refining runs in 2022 amounted to 96.1 million barrels (vs 94.7 million barrels in 2021), non-renewable electricity production amounted to 4,100 GWh (vs 3,524 GWh in 2021), renewable electricity production amounted to 273 GWh (vs 258 GWh in 2021) and Marketing channel sales amounted to 3,659 thousand tons (vs 3,336 thousand tons in 2021).

The Group's reported EBITDA in 2022 amounted to EUR 1,170.3 million, up from EUR 277.1 million in the 2021 financial year. The positive change is primarily attributable to improved scenario conditions, which, as mentioned, benefited from a strong appreciation of diesel and gasoline cracks, as well as an appreciation of the dollar against the euro. These positive factors were only partly offset by higher costs and greater complexity in the procurement of crudes (increase in the price of Brent crude oil and crude oil premiums, especially for light crudes), a weakening of the naphtha crack, an increase in energy costs only partly offset by the effects of the TER Support Decree, and of a "backwardation" market structure that had increased crude oil costs and the costs caused by risk hedging activities on the inventories. The trading & supply activities were characterized by higher sales in all channels as well as improved trading results. Production planning has been adversely affected by a lesser variety of crude oils available on the market and a deterioration in the quality of some of these types. With regard to operating performances, net of the impacts resulting from the increase in unit margins, 2022 was characterized by an overall better performance than that of 2021, although in a context characterized by a more onerous maintenance plan. In addition, as regards the price dynamics of commodities on oil inventories (net of the related hedging derivatives) in 2022, these benefited from an appreciation of EUR 9.6 million compared to an appreciation of EUR 226.5 million in the same period of 2021. Non-recurring items in 2022 had a negative impact of EUR 34.3 million due to: the write-down of some tangible fixed assets, the write-down of some receivables linked to transactions referring to previous years, provisions on personnel costs relating to some agreements of mutual resolution, the allocation of provisions for reclamation activities partly offset by the adjustment of CIC certificates of competence of 2021. Non-recurring items in 2021 were negative for EUR 19.3 million, mainly due to charges for CO_2 emissions pertaining to 2021. Lastly, it should be noted that the reported EBITDA for 2022 reflects the effect of the TER Support Decree, respectively a reduction in energy costs by EUR 121.9 million and a limitation of sales tariffs for electricity generated from renewable sources (wind power) by EUR 25.4 million.

The Group's reported Net Income was EUR 416.9 million, compared to EUR 9.3 million achieved in 2021. In addition to the EBITDA figure, this variance is mainly attributable to higher financial expenses (mainly due to the strengthening of the US dollar and the consequent impact on the results of the relative hedging derivatives) and to higher current taxes, as a result of the increase in taxable income for the year, in addition to the effect of the so-called "windfall tax", as better described in the Notes to the Financial Statements.

The Group's comparable EBITDA stood at EUR 1,136.7 million, up from EUR 54.1 million recorded in 2021. With respect to reported EBITDA, this result does not include the above-mentioned positive effect of the scenario on changes in inventories between the start and end of the period, includes the impact of currency derivatives (reclassified under core business) and excludes non-recurring items. The higher result compared to 2021 is made up of a positive variance in both the "Industrial & Marketing" and "Renewables" segments, which will be described in more detail in the "Segment Review" section.

The Group's comparable net income for 2022 was EUR 709.8 million, compared to a loss of EUR 136.0 million in last year as a result of the same phenomena described for Reported Net Profit, net of: the effects of the scenario on changes in oil inventories (net of related hedging derivatives), non-recurring items and "windfall tax" equal to EUR 266 million.

Investments in 2022 stood at EUR 105.7 million higher than in 2021 (EUR 77.8 million); this increase is attributable to both the major activities in the Industrial & Marketing segment and to major development activities in the Renewables segment.

The following tables show the details on the calculation of EBITDA and comparable Net Income for the years 2022 and 2021.

Calculation of the Group comparable EBITDA

EUR Million	2022	2021
Reported EBITDA	**1170.3**	**277.1**
Gain / (Losses) on Inventories and on inventories hedging derivatives	(9.6)	(226.5)
Derivatives FOREX	(58.3)	(15.8)
Non-recurring items	34.3	19.3
Comparable EBITDA	**1136.7**	**54.1**

Calculation of the Group comparable Net Result

EUR Million	2022	2021
Reported NET RESULT	**416.9**	**9.3**
Gain & (Losses) on Inventories and on inventories hedging derivatives net of taxes	(6.9)	(163.3)
Non-recurring items net of taxes	299.8	18.0
Comparable NET RESULT	**709.8**	**(136.0)**

COMMENTS TO FOURTH QUARTER 2022 GROUP RESULTS

In the fourth quarter of 2022, Group revenues amounted to EUR 3,871 million, compared to EUR 2,797 million in the fourth quarter of last year. The significant change is mainly due to the appreciation of the main oil products and the strengthening of the dollar against the euro. From the perspective of the main production variables: refining runs amounted to 24.4 million barrels (-4% vs 2021), due to higher maintenance operations, non-renewable power generation amounted to 1,081 GWh (+1% vs 2021), renewable power production amounted to 67.8 GWh (-18% vs 2021), and Marketing channel sales amounted to 910 thousand tons (+8% vs 2021).

The Group's reported EBITDA for the fourth quarter of 2022 was EUR 115.9 million, down from EUR 163.6 million in the fourth quarter of 2021. This negative change can be attributed to the impact of the price dynamics of commodities on oil inventories (net of the related hedging derivatives), which in the fourth quarter of 2022 suffered a reduction of EUR 158.0 million compared to an appreciation of EUR 120.7 million in the same period of 2021. It should be noted that net of this effect, core business between the two periods achieved an improvement both due to the effects of the improvement in the scenario and the better performance achieved. Finally, non-recurring items showed a negative impact of EUR 28.9 million in 2022, compared to EUR 13.1 million in 2021. Lastly, it should be noted that the reported EBITDA for the fourth quarter of 2022 reflects the effect of the TER Support Decree, respectively a reduction in energy costs by approx. EUR 38.7 million and a limitation of sales tariffs for electricity generated from renewable sources (wind power) by approx. EUR 6.1 million. The quarter also benefited from EUR 3.8 million due to the release of higher allocations made in the first nine months relating to different assumptions for the application of price Cap.

The Group's reported Net Income was EUR 69.7 million, compared to EUR 44.2 million achieved in 2021. In addition to the EBITDA, this deviation is mainly due to lower financial charges (mainly due to the weakening of the dollar in the last quarter and the consequent impact on the results of the related hedging derivatives) and lower current taxes in the quarter.

The Group's comparable EBITDA stood at EUR 319.7 million, up from EUR 43.5 million recorded in the fourth quarter of 2021. 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 currency derivatives (reclassified under core business) and excludes non-recurring items. The increase compared to the fourth quarter of 2021 is due to a higher result achieved in the "Industrial & Marketing" segment, partly offset by the lower results achieved in the "Renewables" segment; both deviations will be better described in the "Segment Review" section.

The Group's comparable net income for the fourth quarter of 2022 was EUR 260.0 million, compared to a loss of EUR 26.3 million in the same period of the last year as a result of the same phenomena described for Reported Net Profit, net of: the effects of the scenario on changes in oil inventories (net of related hedging derivatives), non-recurring items and "windfall tax".

Investments in the fourth quarter of 2022 amounted to EUR 39.2 million, greater than the fourth quarter of the 2021 levels that amounted to EUR 29.6 million, mainly due to the major development activities of Renewables.

The following tables show the details on the calculation of the comparable EBITDA and the comparable Net Income for the years 2022 and 2021, and for the fourth quarter of the years 2022 and 2021.

EBITDA *comparable*

EUR Million	FY 2022	FY 2021	Q4/22	Q4/21
Reported EBITDA	**1,170.3**	**277.1**	115.9	**163.6**
Gain / (Losses) on Inventories and on inventories hedging derivatives	(9.6)	**(226.5)**	158.0	(120.7)
Derivatives FOREX	(58.3)	**(15.8)**	16.9	(12.5)
Non-recurring items	34.3	**19.3**	28.9	13.1
Comparable EBITDA	**1,136.7**	**54.1**	**319.7**	**43.5**

Risultato Netto *comparable*

EUR Million	FY 2022	FY 2021	Q4/22	Q4/21
Reported NET RESULT	**416.9**	**9.3**	**69.7**	**44.2**
Gain & (Losses) on Inventories and on inventories hedging derivatives net of taxes	(6.9)	(163.3)	113.9	(87.1)
Non-recurring items net of taxes	299.8	18.0	76.4	16.6
Comparable NET RESULT	**709.8**	(136.0)	**260.0**	**(26.3)**

Net Financial Position

The Net Financial Position as at 31 December 2022, before the effects of applying IFRS 16, was positive by EUR 269 million, compared to a negative reported Net Financial Position of EUR 453 million as at 31 December 2021.

In 2022, the total cash flow was EUR 722 million. This flow is primarily attributable to operations, which, thanks to the high margins, generated EUR 1,108 million. The change in working capital is mainly attributable to the increases in the value of inventories and reductions in trade payables, partly offset by the CO2 payment dynamics. Investments amounted to EUR 106 million and the payment of interest and financial charges and taxes absorbed EUR 135 million, including the payment of the "windfall tax" related to the so-called "TER Supports".

It should also be noted that in 2022 a EUR 312.5 million loan was signed with Intesa San Paolo, BPM and Unicredit, maturing in March 2028, backed by a guarantee issued by SACE for 70% of the loan. This loan redefined the maturity profile of the debt, allowing the early repayment of the medium/long-term credit line of EUR 50 million of Unicredit, maturing in August 2023, and the bond loan of EUR 200 million maturing in December 2022. It should be noted that these debt positions as at 31 December 2021 , as well as a share of EUR 321 million of the loan signed in 2020 were shown respectively under "Current bank loans" and "Short-term portion of MLT loans" (for more details, see the Report on Operations of the financial statements as at 31 December 2021).

Lastly, it should be noted that cash and cash equivalents as at 31 December 2022 amounted to EUR 707 million and that this amount will be used for the payment of the residual debt under the regime of essentiality, for the payment of ordinary taxes and the remaining portion of the so-called "windfall tax" as better described in the Notes to the Financial Statements.

In 2022, thanks to the subsiding of the pandemic emergency and the changed oil scenario, the Group regained its historical ability to generate cash from core business, recording a positive net financial position at the end of the year of EUR 269 million (before IFRS 16) and EUR 227 million (after IFRS 16).

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

EUR Million	2022	2021
Medium/long-term bank loans	(401)	(6)
Bonds	0	0
Other medium/long-term financial liabilities	(4)	(5)
Other medium/long-term financial assets	4	4
Medium-long-term net financial position	**(402)**	**(7)**
Short term loans	(119)	(385)
Medium/long-term bank loans (maturity date within 12 months)	0	(200)
Banks overdrafts	(12)	(163)
Other short term financial liabilities	(22)	(114)
Fair value on derivatives and realized net differentials	7	(9)
Other financial assets	110	58
Cash and Cash Equivalents	707	367
Short-term net financial position	**670**	**(446)**
Total net financial position ante lease liabilities ex IFRS 16	**269**	**(453)**
Financial lease liabilities ex IFRS 16	(41)	(41)
Total net financial position post lease liabilities ex IFRS 16	**227**	**(495)**

Oil Market and reference Margin

The Saras Group operates in the Refining sector through its Sarroch refinery, one of the biggest in the Mediterranean in terms of production capacity (15 million tonnes/year) and also in terms of the complexity of plants it is ranked among the best in Europe (11.7 on the Nelson Index). Located on the coast south-west of Cagliari, it enjoys a strategic position in the middle of the Mediterranean Basin, close to the various crude supplier countries and the main markets for refined products.

Global oil demand in 2022[2] recorded an average of 99.96 mb/d, in the second half of the year exceeding the pre-Covid levels of 2019, above 100 mb/d. The OECD economies, in particular Europe and the US, were the main contributors to this trend, while the anti-Covid restrictions, which eased only at the end of the year, weighed on the growth of China. In particular, European economic growth in 2022, estimated in January by the IMF at +3.5%, was more resilient than expected despite the strong negative shock to inflation caused by the war in Ukraine.

In Europe, higher oil consumption is also due to a greater demand for fuel oil, crude oil and middle distillates as an alternative to natural gas and LNG for use in electricity generation processes and in large-scale industry, including refining. The strong increase in gas prices after the outbreak of the Russian-Ukrainian conflict and the attempt to preserve storage as much as possible have in fact led to a greater consumption of alternative fuels, due to their relatively better cost-effectiveness.

Looking at the **refining sector**, runs increased by over 2 mb/d, returning to pre-Covid levels in November and December (over 82 mb/d) thanks to the conclusion of maintenance phases in the US, strikes in Europe and the start-up of new capacity in China. Also looking at global oil stocks, the IEA data reflect an essentially balanced market at the end of the year[3].

Here 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 ("Reference margin") in the European market, which is the most relevant geographical context in which the Refining segment of the Saras Group conducts its operations.

Average annual values [1]	**2022**	**2021**	**2020**
Crude Oil (USD/bl)			
Price of Brent Dated (FOB Med)	101.5	70.9	41.8
Price of Urals (CIF Med)	77.8	69.8	42.1
Heavy-light price differential	-23.7	-1.1	+0.2
Refined Products (USD/tonne)			
ULSD price	1,038.8	579.4	362.1
Gasoline 10ppm	990.5	670.7	381.8
HSFO	451.6	375.3	214.5
***Crack spreads*(USD/bl)**			
ULSD *crack spread*	37.7	6.8	6.7
Gasoline *crack spread*	17.1	9.5	3.9
HSFO *crack spread*	-29.8	-11.3	-7.8
Other indicators of profitability			
Reference Margin (USD/bl)	9.6	-2.0	-0.2
USD/EUR forex	1.053	1.183	1.141

Source: "Platts" for prices and crack spreads, and "EMC – Energy Market Consultants" for the "Reference Margin".

Crude Oil Prices

In 2022, Brent Dtd recorded an average price of 101.5 USD/bbl compared to an average price of 70.9 USD/bbl in 2021. The comparison must take into account a scenario that has changed profoundly over the two periods.

The beginning of 2022 saw an upward acceleration of prices compared to the trend recorded in 2021 with the subsiding of the pandemic emergency: demand at pre-Covid levels and a shortfall in supply, in particular due to production below the targets of OPEC producing countries, led to increases of more than 15% in Brent prices, which in January exceeded the 90 USD/bbl mark for the first time in more than seven years.

The outbreak of the Russian-Ukrainian conflict led to new increases: the gradual withdrawal of Western countries from the Russian market triggered a collapse in Urals crude prices and a rise in Brent crude prices, which peaked at over 138 USD/bbl in the first week of March. This situation did not offset the higher production by producing countries of the OPEC+ alliance, which remained at levels significantly lower than those expected from previous commitments and, as in the case of Nigeria and Angola,

[2] IEA estimates, Oil Market Report 15 February 2023.
[3] Oil implied balance (demand - supply) slightly positive in Q4/22 and equal to 0.62 mb/day on average.

reporting operational difficulties in meeting their targets. Lower exports from Libya and Kazakhstan, burdened by political tensions, have also neutralised the production increases from Saudi Arabia.

Between March and April, Brent prices returned to lower values, around 100 USD/bbl. In March, in fact, the 31 member countries of the International Energy Agency (IEA) released over 180 million barrels of emergency stocks, to be made available in just two months, representing the biggest emergency measure adopted in the history of the Agency. In addition, concerns related to a resurgence of the Covid pandemic in China and fears of a slowdown in the US and European economies contributed to a rebalancing of Brent prices.

However, between May and June the rapid adoption of the sixth package of EU sanctions on Russian exports renewed price tensions, which in mid-June were again above 130 USD/bbl.

This scenario resulted in average Brent Dtd values of 103 USD/bbl and 114 USD/bbl in Q1 and Q2, respectively.

In Q3, crude oil prices saw a gradual decline, averaging 100.8 USD/bbl. Since July, in fact, world oil supply has progressively increased, thanks to the end of a set of maintenance operations on platforms in the North Sea and Canada, but above all thanks to the OPEC+ countries, and in particular Saudi Arabia, Kuwait and Kazakhstan, which increased production in line with targets. Libya's production also returned to the market after the revocation of force majeure in mid-July. At the same time, the release of high volumes of crude oil from US strategic stocks continued.

Brent oil prices were also affected by oil demand, which rose less than expected, due to the prolonged lockdowns in China and fears of an economic slowdown in the main advanced economies, given the high energy costs in Europe and the announcements of restrictive rates policies by European and US central banks to contain rising inflation.

In Q4, Brent Dtd recorded a marked decline with an average price of 88.9 USD/bl (-11.9 USD/bl vs. the previous quarter): despite some temporary signs of improvement, the outlook for recession and resulting weaker short-term oil demand in the US and Europe, together with only a modest easing of zero-Covid policies in China, weighed on prices. The lower than expected oil demand was also affected by the particularly mild temperatures in the northern hemisphere, especially in Europe.

In terms of supply, the fourth quarter saw fears lessen over the shortage of crude that had accumulated in previous months, the prospect of EU embargoes against Russia and cuts by OPEC+. Despite the OPEC+ brakes and further declines expected on the supply side, mainly from Russia, world production is still forecast (IEA) to be higher than demand at the end of 2022 and the first quarter of the year 2023.

Moreover European refiners arranged precautionary stocks of crude oil before 5 December, the deadline for the EU embargo.

On 5th December, the EU ban on imports of Russian crude oil and a G7 price cap of 60 USD/bbl on exports of Russian crude oil transported by sea came into force.

Price differential between heavy and light crude oils ("Urals" vs. "Brent")

The "heavy-light" price differential in 2022 (i.e. between "Urals" and "Brent" crude oils) recorded a high average discount of 23.7 USD/bbl (1.1 USD/bbl in 2021). The described dynamics that led to the collapse in demand for Russian crude oils strongly widened the Ural MED discount, which averaged 34 USD/bbl in Q2. Russian volumes therefore gradually rerouted, mostly towards India and China, allowing a slight recovery in the Urals value, which in Q3 recorded an average discount in the Mediterranean Basin of approx. 26 USD/bbl (1.8 USD/bbl in Q3/2021). Also in Q4, Russian crude oils found buyers only in the Asian markets (China and India), also due to the entry into force on 5 December of the Russian crude oil embargo established by the EU, with an average discount of Urals vs. Brent of -24 USD/bbl.

This phenomenon has led, on the other hand, to an appreciation of sweet crude (see Azeri) which, in a context of high demand and high energy costs, are often preferred to crudes with a higher sulphur content that require more costly desulphurisation processes: **the average premium for Azeri sweet crude oil in 2022 was +5.3 USD/bbl (**compared to an average premium of +1.7 USD/bbl in 2021).

"Crack spreads" of the main refined products (i.e. the difference between the value of the product and the cost of crude oil)

The gasoline crack in 2022 averaged +17.1 USD/bbl (vs. +9.5 USD/bbl in 2021). In the first three months of the year, the margin averaging +9.4 USD/bbl remained broadly in line with the last quarter of 2021, when gasoline had already shown a full recovery from the effects of the pandemic crisis.

The outbreak of war initially had less of an impact on gasoline exports, one of the few products in which Russia does not play a primary role in terms of supplying global markets. However, some product characteristics, such as the significant seasonality and geographical differences in specifications, have affected the sharp increase in prices since April. The high demand recorded in both Europe and the US at the beginning of the summer season was in fact not matched by supply, which was affected by reduced refining capacity (many refineries processing mainly gasoline were closed in the last decade in both Europe and the US) and lower production due to the reshaping of outputs in favour of diesel in the period immediately following the outbreak of war. In

addition, the shortage of high-octane components has further reduced gasoline production. In Q2, the gasoline crack thus reached a record average value of +31.9 USD/bbl. Starting in July and during Q3, the price of gasoline quickly returned to values more similar to historical seasonal values, averaging +13.7 USD/bbl (+12.6 USD/bbl in Q3/2021), mainly due to a rebalancing of consumption after the peaks of the driving season. The long production run of gasoline was further accentuated by the intense refining runs, which in previous months attempted to meet the high demand for diesel, increasing refining runs and at the same time also the gasoline production.

In Q4, the gasoline crack recorded an average of 14.4 USD/bbl (13.7 USD/bbl in Q4/2021): between October and the beginning of November, recovering from the lows of the end of Q3, for the minor refining runs due to a series of strikes that continued in the first half of October, particularly in France, and the autumn maintenance cycles that reduced the runs of many refineries, both in Europe and the US. From the second half of November and for the entire month of December, the crack suffered a new decline due not only to the slowdown in seasonal road traffic, but also to a generalised long production run, with refineries returning to full capacity production in Europe and the US.

The diesel crack (ULSD) in 2022 recorded an average of +37.7 USD/bbl compared to an average of +6.8 USD/bbl in 2021.

The comparison between the two periods must take into account a scenario that changed drastically in both periods, still characterised in 2021 by the penalising effects of the pandemic crisis and the resulting slow recovery in diesel consumption, and in 2022 by the consequences of the Russian-Ukrainian conflict , including the gradual reduction in availability of diesel in Europe, historically among the main importers of Russian output (with imports that could reach 800-900 kbbl/day, approx. 35% of European diesel imports, equal to 10-12% of the continent's total requirement[4]). In the first few months of the year, diesel margins were close to pre-pandemic levels (+11 ÷ 12 USD/bbl), thanks to the recovery in demand to seasonal average levels. At the end of February, the outbreak of the conflict triggered unprecedented price volatility. Moreover, in addition to the gradual and substantial reduction in imports of refined products from Russia, also that of sour Urals crude oil, widely used in European refineries in the production of middle distillates, has forced numerous plants with limited hydrotreating capacity in the processing of other crude oil qualities to reduce their runs. This supply shock has come on top of a pre-existing low unused refining capacity in Europe and the US, exacerbated in the last two years by the impacts of the pandemic on the industry.[5] The diesel crack thus averaged +44.8 USD/bl in Q2.

In Q3, after a partial decline in July due to high exports of middle distillates from Asia to Europe, diesel crack resumed an upward trend, recording an average of +42 USD/bbl (+7 USD/bbl in Q3/2021), in a context still characterised by sustained demand and insufficient supply. In addition, the impending EU embargo on Russian diesel (effective from the beginning of February 2023) generated further bullish pressure on crack.

In the fourth quarter of 2022, the diesel crack was +45.1 USD/bbl (11.1 USD/bbl in Q4/21), reaching unprecedented levels in October due to strong supply side tensions: the shutdowns for seasonal maintenance added to those caused by a series of strikes that had affected major French refineries for weeks. Between November and December, large import flows from China and the United States, and the seasonal pause in demand for automotive fuel, reduced the average for the quarter.

In 2022, jet fuel recorded an average crack of +33.1 USD/bbl, (vs. an average of +4.1 USD/bbl in 2021). In the pre-conflict period, air traffic had shown a recovery trend in particular in the last quarter of 2021. Following the outbreak of the Russian-Ukrainian conflict, the jet fuel, similarly to diesel, has received support from the lack of supply that impacted the entire middle distillate pool. Finally, although the cancellations of Russian flights have reduced some European air traffic, the closure of Russian and Ukrainian air space has increased the duration of numerous intercontinental flights between Europe and Asia, resulting in greater consumption of jet fuel. As far as short-haul flights are concerned, there has been an increase in traffic in Europe (Eurocontrol data show a level now back within 85% of the 2019 activity level). In Q2, the jet crack thus averaged +44.1 USD/bbl. In Q3, jet fuel cracked at an average of 36.2 USD/bbl (+4.1 USD/bl in Q3 / 2021), down slightly from Q2, similar to what has been described for diesel, due to an increased supply coming from imports from Asia to Europe. In the final quarter, jet fuel recorded an average crack of 36.6 USD/bbl, essentially in line with the previous quarter, thanks to the continuing recovery in air traffic, mainly in Europe and the US.

The VLSFO crack in 2022 recorded an average of +2.5 USD/bbl (compared to an average of +2.0 USD/bbl in 2021). The VLSFO margins had followed a rather constant trend in the pre-conflict period, in continuity with the recovering values recorded in the last quarter of 2021, following the increase in maritime traffic and consumption of fuel oil used for electricity generation instead of gas. After the outbreak of the Russian-Ukrainian conflict, VLSFO prices rose, which was also reflected in freight costs, due to the support derived from the value of middle distillates (on which the pricing of certain blending components such as e.g. GAV depends). The average VLSFO crack in Q2 was 7.4 USD/bbl, almost double the average of 3.8 USD/bbl in Q1, with daily peaks over 14 USD/bbl in early April**.** In Q3, the VLSFO crack fell sharply, recording an average value of +2.4 USD/bbl (+0.8 USD/bbl in the same period of 2021), down 67% from the average of +7.4 USD/bbl recorded in Q2, mainly due to the reduction in maritime cargo traffic as a result of the global economic slowdown. In the final quarter of the year, the VLSFO crack continued the decline that began in the previous quarter, recording an average of -3.7 USD/bl, also due to a significant increase in imports from the Middle East.

[4] Source IEA, International Energy Agency, Oil Market Report, March 2022.

5 IEA estimates that in the last 3 years the global refining capacity has decreased by approx. 3mb/day.

The **HSFO crack in 2022 instead recorded an average of -30.0 USD/bbl (compared to an average of -11.3 USD/bbl in 2021):** in the first week of the conflict, the HSFO crack collapsed immediately by up to -32 USD/bbl; Western operators, in fact, drastically cut their procurement of fuel oil from Russia, the main exporter of HSFO at global level, resulting in a strong and continuous depreciation of the product, whose crack recorded averages of -21 USD/bbl in Q1, -28.1 USD/bbl in Q2 and -38.4 USD/bbl in Q3. In the fourth quarter of 2022, despite a strong discounting context, HS fuel oil saw a slight recovery trend, recording an average of -31.9 USD/bl, attributable to greater use of the fuel - against the considerable cost-effectiveness compared to the VLSFO, which rose with the Russian-Ukrainian crisis - in particular by ships equipped with scrubbers.

Electricity and CO2

The strong upward trend that, from the third quarter of 2021, affected the natural gas market and the related electricity market, steepened in 2022 with the outbreak of the Russian-Ukrainian conflict. Volatility characterised the entire first quarter of 2022, with a spot price for natural gas on the TTF (the European reference market for natural gas) that reached a record figure of 212 €/MWh on 7 March. In the months thereafter, the trend curved upward to reach an all-time high of 346 €/MWh at the end of August, following Russia's announcement of closure of the NordStream gas pipeline for "maintenance". The measures adopted by European countries to respond to the energy emergency - geographical diversification of supplies, rush to storage before the winter season, use of sources alternative to gas and measures to reduce consumption - together with a milder than expected winter season, have contributed to a gradual decline in prices. In particular, the agreement reached in Europe on 19 December to set a cap on natural gas prices at 180 €/MWh from 15 February 2023, has helped to quickly bring prices back to below 100 €/MWh.

In this context, **the price of electricity (Single National Price or PUN) recorded an average price of 303 €/MWh in 2022 (125 €/MWh in 2021)** with an extremely volatile trend[6] that peaked at over 706 €/kWh at the end of August and a substantial downturn in Q4 with an average of 268 €/MWh (242 €/MWh in Q4/21), thanks to the phenomena described above in relation to the gas price trend.

To deal with this emergency, the TER Support Decree (LD 4/2022, converted, with amendments, into Law No. 25), has provided for the recognition of an extraordinary contribution, in the form of a tax credit, to partially offset the higher charges incurred for electricity purchased and used in the performance of economic activities during all four quarters of 2022, in favour of energy-intensive companies[7] such as Sarlux srl, a subsidiary of the Saras Group.

EUA prices for European carbon dioxide permits averaged 81 €/ton in 2022 (53.2 €/ton in 2021), with strong volatility over the months but fairly stable averages over the various quarters.

Marketing

In Italy, according to data collected by Unione Energie per la Mobilità (UNEM), in 2022 the oil product consumption was +2.7% higher than the consumption recorded in 2021, but still lower (-4.4%) than that recorded in 2019.

The consumption of automotive fuel (gasoline and diesel) showed a significant recovery of +4.8% compared to 2021, thanks to a strong recovery in gasoline (+11.5%), diesel (+5.9%) and also jet fuel, thanks to the recovery of air traffic (+74.4%). Compared to 2019, on the other hand, overall demand showed an increase for gasoline (+7.2%), essentially in line for diesel (-0.8%), but still lower for jet fuel (-23.6%). Higher consumption of gasoline combined with electricity was recorded in newly-registered dual fuel engines. In particular, Q4 showed a downward trend in the sale of oil products compared to 2021 (-2.1%) and even more negative than 2019 (-4.8%) due to the limited demand for jet fuel and the mild winter season. Fuel demand was instead stable vs 2021 (+0.1%) but up compared to 2019 (+2.5%) due to the strong demand for gasoline (+7.6% vs 2021 and +11.4% vs 2019).

Moving on to analyse the Spanish market, the data compiled by CORES show that in 2022 motorway fuel consumption increased by + 3.1% compared to 2021, gasoline in particular recording an increase of +9.7% while diesel consumption saw an increase of +1.5%. For December alone, fuel consumption was +8.1% higher than in December 2021, with an increase in gasoline of +16.3% and diesel of +6.0%.

Comparison with the pre-pandemic figure for 2019, based on December alone, also shows a marked upturn with an increase in road fuel in December 2022 +6.2% higher than in December 2019 (gasoline +16.6% and diesel +3.6%).

[6] Recorded averages of 248 €/MWh in Q1 (59 €/MWh in Q1 2021), 249 €/MWh in Q2 (75 €/MWh in Q2/21) and 472 €/MWh in Q3 (125 €/MWh in Q3/21).
[7] As described in the Decree of the Minister of Economic Development of 21 December 2017, published by press release in Official Gazette No. 300 of 27 December 2017.

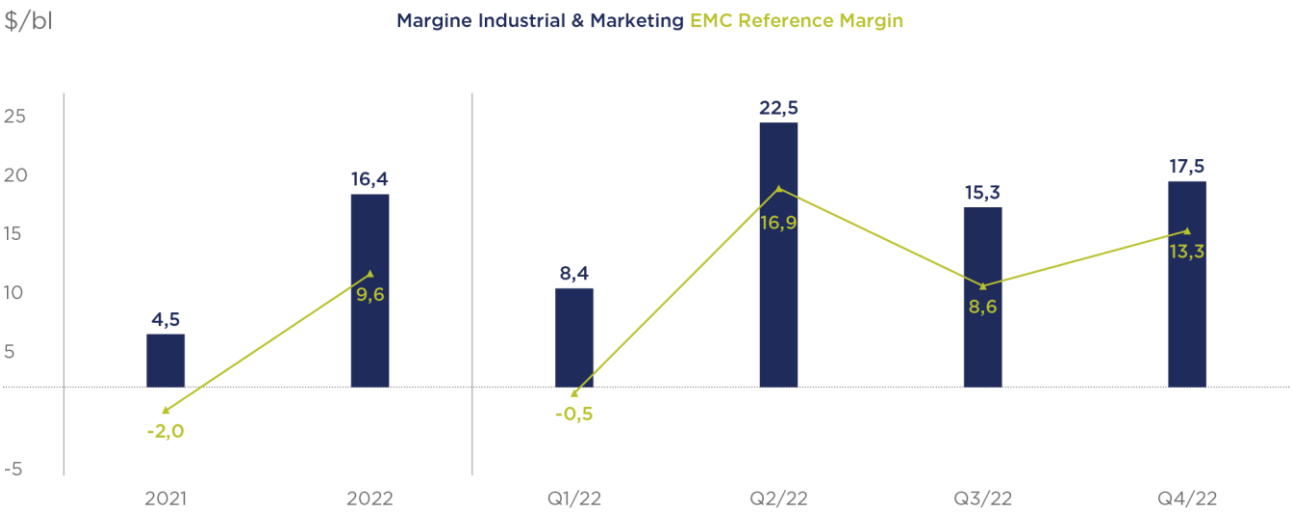
Refining margins and Saras Industrial & Marketing margin

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

In light of the market context described in the previous paragraph, averaged 9.6 USD/bbl (vs. a negative EMC Reference Margin amounting to -2.0 USD/bbl in 2021). The Saras margin averaged 16.4 USD/bbl (4.5 USD/bbl in 2021), highlighting a premium of +6.8 USD/bbl (+6.5 USD/bbl in 2021). The higher premium achieved in 2022 is mainly due to the better trading and supply activities achieved both in the enhancement of refinery products in all sales channels and through Trading activities. It should be noted that in 2022, considering the high levels of margins offered by the market, operational management was oriented towards maximizing production volumes, sometimes giving up second-level optimizations with impacts on the premium level achieved.

In Q4 2022, the EMC Reference Margin stood at an average of 13.3 USD/bbl (vs. a negative average of -1.5 USD/bbl in Q4/21). Saras' margin was 17.5 USD/bbl (5.0 USD/bbl in the same period of the previous year), showing a premium of +4.2 USD/bbl (6.5 USD/bbl in Q4 2021). The premium in the fourth quarter was lower than that achieved in previous quarters both due to a worsening of production performance and to the negative impacts of the high premiums recorded on crude oils with low sulfur content.

GRUPPO SARAS: MARGINI INTEGRATI 2021 – 2022



SEGMENT REVIEW

In order to present the Group's business performance in a consistent manner, the information of the individual companies is attributed to the business segments identified; note that, from 1 January 2021, the “Industrial & Marketing” segment includes all refining and electricity generation activities as well as marketing activities. The “Renewables” segment includes activities previously included in the "Wind" segment, which was renamed in view of the potential developments in photovoltaic power and green hydrogen.

INDUSTRIAL & MARKETING

The Sarroch production site, located on the coast south-west of Cagliari, consists of one of the largest refineries in the Mediterranean in terms of production capacity and plant complexity, perfectly integrated with an IGCC (combined cycle gasification) plant. The site is strategically located in the center of the Mediterranean and has a processing capacity of 15 million tons/year, corresponding to about 17% of the total distillation capacity in Italy, and an installed power generation capacity of 575 MW. It should be noted that, with regard to electricity generation activities, following resolution 630/2021 of 28 December 2021, ARERA accepted the request for admission to the cost reintegration regime for the Sarlux plant, entered by TERNA in the list of essential plants for the electricity system for 2022.

EUR Million	FY 2022	FY 2021	Change %	Q4/22	Q4/21	Change %
Reported EBITDA	1132.5	243.7	365%	105.1	146.1	-28%
Comparable EBITDA	**1098.9**	20.7	n.s.	308.9	25.2	n.s.
of which relative to Marketing sales	55.0	34.9	58%	13.8	10.2	36%
Reported EBIT	935.8	52.6	n.s.	43.1	96.1	-55%
Comparable EBIT	**915.4**	**(170.4)**	**n.s.**	**260.1**	**(24.8)**	**n.s.**
CAPEX	**86.8**	**69.4**	**25%**	**26.3**	**29.6**	**-11%**

Margins and refinery runs

		FY 2022	FY 2021	Change %	Q4/22	Q4/21	Change %
CRUDE RUNS	*Tons (thousand)*	13,168	12,978	*1%*	3,339	3,489	-4%
	Barrels (million)	96.1	94.7	*1%*	24.4	25.5	-4%
	Bl/day (thousand)	263	260	*1%*	265	277	-4%
COMPLEMENTARY FEEDSTOCK	*Tons (thousand)*	1040	809	*29%*	247	227	9%
ELECTRICITY PRODUCTION	*GWh*	4100	3,524	*16%*	1081	1,070	1%
TOTAL SALES	*Tons (thousand)*	3659	3,336	*10%*	910	840	8%
of which: in Italy	*Tons (thousand)*	2412	2,156	*12%*	604	567	7%
of which: in Spain	*Tons (thousand)*	1247	1,180	*6%*	306	273	12%
EXCHANGE RATE	*EUR/USD*	1.05	1.18	*-11%*	1.02	1.14	-11%
NEW BENCHMARK MARGIN	*$/bl*	9.6	(2.0)	*n.s.*	13.3	(1.5)	n.s.
SARAS IND & MKTG MARGIN	*$/bl*	16.4	4.5	*264%*	17.5	5.0	251%

Comments on the results for 2022

Crude oil runs in 2022 were 13.17 million tons (96.1 million barrels, corresponding to 263 thousand barrels per day), in line with the final production levels in 2021. The improved production performance offset a more onerous maintenance plan and the impacts of the port closures due to bad weather that occurred in the first quarter.

Electricity production amounted to 4,100 GWh, up by 16% compared to 2021, mainly due to the significant maintenance work that had penalized 2021 and the different production set-ups required by the Essentiality Regime agreement between the two periods.

Comparable EBITDA in 2022 stood at EUR 1,098.9 million, with a Saras Industrial & Marketing margin of +16.4 USD/bl, within which the contribution of the Marketing channel was 0.8 USD/bl (as usual, already net of the impact of the maintenance activity carried out in the period). This against a comparable EBITDA of EUR 20.7 million and a Saras Industrial & Marketing margin of +4.5 USD/bl (within which the contribution of the Marketing channel was 0.6 USD/bl) in the previous year.

The particular market conditions increased margin generation by approximately EUR 1,123 million. This positive result is mainly attributable to the strengthening of cracks margins of the main refined oil products (diesel and gasoline) and the strengthening of the US dollar; positive factors that were partially offset by the increase in the price of Brent crude and the increases in crude oil premiums, especially for light grades, as well as the reduction of the naphtha crack. In addition to the development of market variables, these amounts also included the negative impacts that the "backwardation" market structure causes on both procurement and hedging of crude oil stocks, as well as the negative impacts of port closures due to bad weather in the first quarter of 2022.

Operating performance in 2022, if compared with the same period of 2021, was better with an impact of approximately EUR 65 million. This change includes the contribution for the remuneration of the capital used by the plants subject to the essentiality regime agreement, with a difference between the two years of EUR 19 million (please note that in 2021 the remuneration had covered the period after 21 April 2021 when the essentiality regime agreement began). In particular:

- Trading & Supply activities (which include the procurement of crude oil and complementary raw materials, the sale of finished products, the costs of hiring oil tankers, and the management of inventories, including compulsory stocks) contributed to a greater extent for EUR 85 million compared to the same period of the previous year. This was mainly due to a positive performance in oil product management and a higher contribution from trading activities.
- Production planning (consisting of the optimization of the mix of crudes brought in for processing, management of semi-finished products and production of finished products, including those with special formulations) made a lower contribution of approximately EUR 30 million compared to the same period of the previous year. This difference is attributable on the one hand to lower availability, higher premiums and changed qualities of some light crude oils and on the other to the difficulties and subsequent interruption (starting from the second half of 2022) of the procurement of some crude oils from the Caspian area.
- The execution of production activities (which takes into account penalties related to maintenance, both scheduled and unscheduled, and higher consumption compared to the technical limits of some "utilities" such as fuel oil, steam, electricity and fuel gas) net of the effects due to the different levels of unit margins between the two periods, made a lower contribution of approximately EUR 9 million compared to the same period of the prior year. This impact is mainly due to the different maintenance plan between the two periods, partly offset by better performance.

Variable industrial costs, net of components relating to the Essentiality Regime agreement, were EUR 96 million higher in 2022 than in the same period of 2021. This deviation is due to higher costs for electricity supplies, net of tax credits recognized to energy-intensive companies of the Group, CO_2emissions, demurrage (due to higher unit costs and the impacts of bad weather in the first quarter), catalysts (due to increased unit prices and greater functional use to achieve higher margins for the period) and utilities due to the increase in unit costs in part related to the price of electricity.

Industrial fixed costs in 2022 recorded an increase of approximately EUR 34 million compared to the same period of the previous year. This deviation is mainly attributable to higher maintenance and personnel costs. As regards maintenance costs, the increases are due to the different maintenance plan envisaged, the increase in the volume of activities functional to the achievement of the higher level of margins and the inflationary phenomena recorded starting from the second half of the year. The higher personnel costs are due to contract renewals, higher bonuses allocated for the results achieved and the impacts of the redundancy fund, which had reduced the cost of personnel in 2021. It should also be noted that, within the final costs, approximately EUR 70 million is the amount subject to reimbursements relating to the Essentiality Regime agreement in 2022; this amount was EUR 45 million in the previous year with the start of the new regime as of 21 April.

In 2022, the contribution of the Marketing channel to the comparable EBITDA amounted to EUR 55.0 million, versus EUR 34.9 million in 2021. This change is mainly due to higher margins on sales in Italy and Spain. In this regard, it should be noted that in both markets, thanks also to a favourable market environment, both sales volumes and unit margins realized increased. Note that this contribution should be considered together with the industrial one because their technical and commercial expertise, on which the Group's business model is based, is closely coordinated.

Comments to Fourth Quarter 2022 results

Crude oil runs in the fourth quarter of 2022 were 3.34 million tons (24.4 million barrels, corresponding to 271 thousand barrels per day), 4% lower than in the fourth quarter of 2021, mainly due to increased maintenance activities carried out during the period.

Electricity production amounted to 1,081 GWh, in line with the fourth quarter of 2021, characterized by the same maintenance interventions and similar production structures required by the Essentiality Regime agreement.

Comparable EBITDA in the fourth quarter of 2022 stood at EUR 308.9 million, with a Saras Industrial & Marketing margin of +17.5 USD/bl, within which the contribution of the Marketing channel was 0.8 USD/bl (as usual, already net of the impact of the maintenance activity carried out in the period). This is against a comparable EBITDA of EUR 25.2 million and a Saras Industrial & Marketing margin of +5.0 USD/bl (within which the contribution of the Marketing channel was 0.7 USD/bl) in the same quarter of the previous year.

The particular market conditions increased margin generation by approximately EUR 287 million. This positive result is mainly attributable to the strengthening of cracks margins of the main refined oil products and the strengthening of the US dollar; positive factors that were partially offset by the increase in the price of Brent crude, the increases in crude oil premiums, especially for light grades, as well as the weakening of the naphtha crack. In addition to the development of market variables, these amounts also included the negative impacts that the "backwardation" market structure has caused during the quarter on oil crude inventories.

Operating performance in the fourth quarter of 2022, if compared with the same period of 2021, was lower by approximately EUR 12 million. This change includes the contribution for the remuneration of the capital used by the plants subject to the Essentiality Regime agreement, the value of which between the two fiscal years is essentially similar. In particular:

- Supply & Trading activities (which include the procurement of crude oil and complementary raw materials, the sale of finished products, the costs of hiring oil tankers, and the management of inventories, including compulsory stocks) contributed to a greater extent for approximately EUR 10 million compared to the same period of the previous year. As highlighted above this result was mainly due to a positive performance in product management and a higher contribution from trading activities.
- Production planning (consisting of the optimization of the mix of crudes brought in for refining runs, management of semi-refined runs and production of finished products, including those with special formulations) made a negative contribution of approximately EUR 9 million compared to the same period of the previous year. This result is mainly due to the worsening of the market context in terms of light crude oils and the suspension of supplies of crude oil from the Caspian area, only partially offset by the choice of some alternative crude oils.
- The execution of production activities (which takes into account penalties related to maintenance, both scheduled and unscheduled, and higher consumption compared to the technical limits of some "utilities" such as fuel oil, steam, electricity and fuel gas) net of the effects due to the different levels of unit margins between the two periods, made a lower contribution of approximately EUR 14 million compared to the same period of the prior year due to the impact on the margin of increased maintenance activities carried out during the period.

Industrial variable costs, net of components relating to the Essentiality Regime agreement, were EUR 30 million lower in the fourth quarter of 2022 compared to the same period in 2021. This lower cost is mainly attributable to the reduction in the cost of electricity due to lower consumption and the impacts of the Support Decree.

The trend in fixed costs in the fourth quarter of 2022 recorded an increase of approximately EUR 25 million compared to the same period of the previous year. This deviation is mainly due to the higher maintenance costs and personnel costs for the same trends highlighted in the comments on the results for the year. It should also be noted that, within the final costs, approximately EUR 17 million is the amount subject to reimbursements relating to the Essentiality Regime agreement in 2022, its value substantially in line with the same period of the previous year.

The contribution of the Marketing channel sales against the *comparable EBITDA* amounted to EUR 14.0 million, higher than the EUR 10.0 million recorded in the fourth quarter of 2021. This change is mainly due to higher margins generated in Italy and Spain.

Oil slate and refined products yield

The mix of crudes that the Sarroch refinery processed in 2022 had an average density of 32.8°API, heavier than the average density processed in 2021. This increase is generated by a growth of 15% in heavy crude oils with both low and high sulfur content ("heavy sour/sweet") to the detriment of medium crude oils ("medium sour" and "Medium sweet/extra sweet"), only partly mitigated by the 4% increase in light crude oils with low and very low sulfur content ("light sweet" and "light extra sweet"). These trends can be attributed to changed geopolitical conditions, higher electricity production due to the different production set-up required, and different market conditions with high margins for major oil products.

		FY 2022	FY 2021	Q4/22
Light extra sweet		43%	42%	41%
Light sweet		10%	7%	13%
Medium sweet/extra sweet		1%	5%	0%
Medium sour		10%	28%	2%
Heavy sour/sweet		36%	18%	44%
Average crude gravity	°API	32.8	33.9	32.5

Regarding the refined products yield, please note that in 2022, consistent with market trends, the yield of middle distillates was maximized (51.7%) at the expense of naphtha + gasoline, with an increase of 3.2% in 2021.

		FY 2022	FY 2021	Q4/22
LPG	Tons (thousand)	269	269	62
	yield (%)	1.9%	2.0%	1.7%
NAPHTHA	Tons (thousand)	525	842	105
	yield (%)	3.7%	6.1%	3.4%
GASOLINE	Tons (thousand)	3,207	3,184	836
	yield (%)	22.6%	23.1%	26.7%
MIDDLE DISTILLATES	Tons (thousand)	7,344	6,681	1,852
	yield (%)	51.7%	48.5%	51.6%
VERY LOW SULPHUR FUEL OIL	Tons (thousand)	716	728	206
	yield (%)	5.0%	5.3%	5.7%
OTHERS	Tons (thousand)	1,343	1,245	335
	yield (%)	9.5%	9.0%	9.3%

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

Renewables

The Saras Group is active in the production and sale of electricity from renewable sources. The company operates several plants with a total installed wind power capacity of 171 MW. The Group's development objectives envisage an increase in installed capacity; in this regard, on 30 March 2022, the Autonomous Region of Sardinia approved the Single Authorization in favour of Sardeolica S.r.l. for the construction and operation of a 79 MW photovoltaic plant in the industrial area of Macchiareddu, which is expected to come into operation in 2024.

EUR million	FY 2022	FY 2021	Change %	Q4/22	Q4/21	Change %
Reported EBITDA	37.8	33.4	13%	10.8	17.5	-38%
Comparable EBITDA	**37.8**	**33.4**	**13%**	**10.8**	**18.2**	**-41%**
Reported EBIT	29.9	25.9	15%	9.4	15.4	-39%
Comparable EBIT	**29.9**	**25.9**	**15%**	**9.4**	**16.1**	**-42%**
CAPEX	**18.9**	**8.4**	**125%**	**12.9**	**0.0**	**n.a**

		FY 2022	FY 2021	Change %	Q4/22	Q4/21	Change %
ELECTRICITY PRODUCTION	MWh	273,427	258,453	6%	67,736	82,841	-18%
POWER TARIFF	EURcent/KWh	15.8	12.2	29%	12.5	23.3	-46%
INCENTIVE TARIFF	EURcent/KWh	4.3	10.9	-61%	4.3	10.9	-61%

Note: EBITDA Q4/22 recovered approximately EUR 3.8 million for the GSE adjustment of the first 9 months of the year.

Comments on the results for 2022

In 2022, the Renewables segment's comparable EBITDA amounted to EUR 37.8 million, higher than the EUR 33.4 million achieved in 2021. The increase in EBITDA between the two periods is attributable to the contribution of the new plants purchased in June 2021. Electricity production amounted to 273.4 GWh (including -10 GWh due to Terna limitations), an increase of 15.0 GWh compared to the previous year; this increase is for 25 GWh due to the production of the new wind farms.

With regard to the impacts relating to the application of price cap on renewable production, it should be noted that the limit of 61 EUR/MWh introduced by the TER Support Decree applies to 47% of total production and that the limit of 180 EUR/MWh introduced by the 2023 Budget Law applies to 5% of production (limit applied from December on all production not subject to the limit of 61 EUR/MWh). The application of these limitations reduced the EBITDA by approximately EUR 25.4 million.

Comments on the fourth quarter 2022 results

In the fourth quarter of 2022, the Renewables segment's comparable EBITDA amounted to EUR 10.8 million, lower than the EUR 18.2 million achieved in the fourth quarter of 2021. In the fourth quarter, the result achieved benefited from an extraordinary contribution of EUR 3.8 million for the release of the higher allocations made in previous quarters relating to the application of price cap. Net of this effect, the reduction is mainly due to the decrease in the electricity tariff due to the application of the price caps introduced by the TER Support Decree and 2023 Budget Law.

Electricity production was 67.7 GWh lower than the 82.8 GWh in the same period of 2021; this reduction is due to both the lower wind levels and the greater limitations of Terna.

In terms of the impacts relating to application of the TER Support Decree and Budget Law, it should be noted that the productions affected by the application of the sale price caps of 61 EUR/MWh and 180 EUR/MWh (starting from December) respectively amounted to 53% and 20% of the total, and that the application of these limits reduced the EBITDA for the quarter by approximately EUR 6.1 million. The quarter also benefited from EUR 3.8 million due to the release of higher allocations made in the first nine months relating to different assumptions for the application of price cap.

Investments by sector of activity

EUR Million	FY 2022	FY 2021	Q4/22	Q4/21
INDUSTRIAL & MARKETING	86.8	69.4	26.3	29.6
RENEWABLES	18.9	8.4	12.9	0.0
Total	**105.7**	77.8	**39.2**	29.6

The investments made by the Saras Group in 2022 amounted to EUR 105.7 million, up from EUR 77.8 million in 2021.

For the Industrial & Marketing segment, investments in 2022 amounted to EUR 86.8 million, an increase compared to EUR 69.4 million in 2021. As usual, a share of the investments was dedicated to the continuation of activities for compliance with the HSE requirements and to maintaining the operational efficiency of the plants (approximately EUR 30 million). The higher investments compared to the previous year are due to increased multi-year maintenance activities, part of which for plants regulated within the "essentiality regime agreement", and the resumption of development activities; these include initiatives to improve plant logistics, including to increase the HVO's co-processing capacity and the greater activities in the area of cyber security.

Investments in the Renewables segment in 2022 amounted to EUR 18.9 million. These investments mainly regard development activities for the new photovoltaic plant.

Outlook

In the update of the WEO (World Economic Outlook) at the end of January 2023, the International Monetary Fund revised upwards the previous October estimates on global GDP growth in 2023, which is now forecast at 2.9%, higher than 0.2 percentage points to that estimated by the Fund in the autumn, thanks to the recent reopening of China, which has abandoned the policy of restrictions to combat the pandemic, suggesting a faster recovery than expected. However, the figure remains below the historic 2000-2019 average of 3.8%, held back by the rise in central bank rates to combat inflation, and the impacts of the Russian-Ukrainian conflict. With regard to the Eurozone and the USA, the Fund expects a partial reduction in inflation and growth of 0.7% and 1.4% respectively (+0.2 percentage points and +0.4 percentage points compared to the October forecasts). As regards China, growth this year should reach 5.2% (+0.8 percentage points compared to the WEO in October).

In the last Oil Market Report released in mid-February 2023, the International Energy Agency (IEA) estimates that, despite the slight contraction recorded in the last quarter of 2022, **global oil demand** in 2023 should increase on average by 2 mb per day, passing to an average of 101.9 mb per day - a figure that exceeds the annual average pre-Covid demand of 2019 (100.4 mb per day). This increase will be driven by the Asia-Pacific area, and in particular by the recovery of China. The reopening of Asian borders will also support the increase in air traffic, with jet/kerosene demand expected to return to 90% in 2023 compared to 2019 levels.

In terms of supply, the IEA forecasts a growth in global average daily oil production of 1.2 mb per day in 2023, which will reach an average of 101.3 mb per day in 2023, driven by non-OPEC+ countries (United States together with Brazil, Norway, Canada and Guyana). The OPEC+ supply will contract, with Russia under pressure due to sanctions, while the production shares of the other member countries will remain unchanged (according to the recent announcements of the organization) compared to the levels of November and December, at least until a next meeting of the OPEC+ expected in April.

According to the IEA, these cuts together with the maintenance of a not very expansive policy by the OPEC+, and the greater Asian demand following the reopening of China, will lead to a substantial deficit between supply and demand in the second half of 2023.

In particular, after the introduction by the EU of the embargo of 5 February 2023 on imports of refined oil products, Europe will have to find an alternative source of supply for the imports of fuel from Russia, and mainly diesel (for approximately 600 - 650 kb per day).

Between the end of 2022 and the beginning of this year, the increase in imports together with milder than expected winter temperatures and the seasonal slowdown in demand on road, contributed to increasing the stocks of middle distillates available, ensuring sufficient supplies to respond to demand. However, the embargo on oil products has led to a redefinition of flows that see Europe destined to obtain supplies mostly from the United States, the Middle East and Asia, while Russia will be committed to finding new outlets for its products in China, India and South America. If after the embargo, Russia successfully diverted its exports to Asia in particular, the bearish effect of the price cap prompted the country to announce upcoming production cuts, starting from March.

According to the IEA, if the OPEC+ were to maintain the expected production, with the cuts announced by Russia, the supply of crude oil in the second half of the year could be significantly lower than the demand of the refineries, with consequent product deficits, in particular in the last quarter of the year. This forecast also takes into account the new production, for approximately 1.8 mb per day, which will be available in 2023 with the completion and launch of three major projects in the Middle East, Nigeria and Mexico. More than one third of this new capacity is expected to come into operation within the first half of the year, with the start-up of the new Al-Zour refinery in Kuwait.

Looking at the market trend in the early months of 2023, it was characterized by Brent dtd prices which in mid-February ranged between 82 - 83 USD/bbl, supported on the one hand by a climate of optimism for the reopening of China, and improved forecasts on European economic prospects, also thanks to the significant reduction in natural gas prices.

With regard to the **margins of refined products**, both crack, diesel and gasoline continued the growing trend that began in December, mainly due to a reduced global production of refineries, in particular those in the United States, which slowed down after the interruptions caused by the cold temperatures in December and a series of scheduled maintenance. In particular, gasoline margins were affected by lower flows from the United States, recording in the MED area an average of more than 17 USD/bbl until mid-February. The diesel crack in the same period recorded an average of over 35.5 USD/bbl. Since February, there has been a decline, due to the high stocks of product accumulated with the flows of imports (from Russia, the Middle East and India) which, as already described, significantly exceeded the historical averages between October and January. However, IEA

notes that at the beginning of 2023, about one month after the embargo came into force, the stocks of distillates in Europe were still 26.6 mb (approximately 10%) lower than the five-year average for 2017 - 2021 (approximately 270 - 280 mb).

As regards **energy costs (electricity and CO2)**, the beginning of 2023 saw the price of gas continuously falling (the TTF spot went from 72 EUR/MWh at the beginning of January to less than 50 EUR/MWh after the first half of February), thanks to the filling of storage facilities and to the limited demand that remained far from potentially critical levels, despite a lowering of temperatures compared to the end of 2022. The lower gas consumption was affected on the one hand by the measures to limit demand (heating above all), on the other by the many shutdowns of industrial activities due to too high prices and the strong use of coal plants with a consequent increase in CO2 emissions. The reduction in the price of gas had a positive impact on the price of electricity with the PUN, which from the beginning of the year to mid-February recorded an average of approximately 171 EUR/MWh. The EUA quotas to cover CO2 emissions instead increased to over 90 EUR/ton in mid-February (from approximately 80 EUR/ton at the end of 2022).

The scenario described above, characterized by high volatility, together with the prevailing scenario assumptions[8] of the main sector analysts, and the trend of the forward curves of oil, gas and electricity commodities, lead to the consideration for 2023 of a positive scenario with:

- **Brent Dtd prices** at levels substantially in line with the current ones (80 - 85 USD/bbl);
- **premiums on crude oils with low sulphur content**, such as Azeri, even higher than the historical averages (1-2 USD/bbl), supported by the high margins of middle distillates. The high freight costs, one of the consequences of the EU sanctions against Russia, also further affect the cost of procurement of crude oils;
- **gasoline crack** expected to be normalized compared to the high values of 2022;
- **diesel crack** down compared to record values recorded in 2022, but still high and above historical averages;
- **PUN still subject to high volatility depending on the price of gas.** In this regard, it should be noted that the extension of the tax credit to energy-intensive companies is currently only envisaged for up to the first quarter;
- **CO2 subject to tension** in light of the recent increases (up to 90 EUR/ton) induced by the higher emissions expected in the face of the increase in industrial production, indicate the risk of an increase in prices.

In light of these forecasts, still characterized by a high level of volatility, the EMC Reference Margin expected in 2023, although lower than the extraordinarily high one recorded in 2022, should remain above the historical averages.

From an operational point of view, 2023 will be characterized by a maintenance plan that will be concentrated in the first half of the year. In the first quarter, catalytic reforming and one of the mild hydrocracking units will be subject to maintenance at the same time as a distillation unit ("topping"). The second quarter will see the multi-year turnaround of the IGCC combined cycle gasification plant; at the same time, the second mild hydrocracking and an additional topping unit will be maintained. In the third quarter, no significant maintenance works are planned, while in the fourth quarter some minor activities are planned (a "slowdown" of the gasification and maintenance of one of the desulfurization units). Overall, as regards the annual processing of crude oil, this is expected to be approximately 12 ÷ 13 million tons (or 88 ÷ 95 million barrels), to which approximately 1 million tons of plant charge will be added complementary to the crude oil (corresponding to approximately 7 m/bl), while the production of electricity is expected, in line with the planned maintenance interventions and on the basis of an essential power requirement assumed, slightly lower (-5%) than 2022 levels.

It should also be remembered that the Integrated Gasification Combined Cycle plant of Sarlux Srl has been included by TERNA among the so-called "essential" plants for the year 2023 and that it has been admitted to the related cost reintegration regime by ARERA.

Given these conditions, the Company estimates that in 2023 it will be able to achieve an average annual premium compared to the EMC Reference margin of between 5 ÷ 6 USD/bl.

As regards the **Renewables segment**, in 2023 Sardeolica will be engaged in the construction of the 80MW Helianto photovoltaic plant, which is expected to be fully operational by the end of the first half of 2024.

With regard to the enhancement of the segment's production, the measure introduced by Decree Law no. 4 of 27 January 2022, the so-called "TER Support", was extended by the Finance Law to the entire first half of 2023, therefore the production of the Ulassai and Energia Verde wind farms, approximately 53% of the production expected in 2023, will be valued, as in most of the 2022, at a price of around 61 EUR/MWh. In the first half of the year, the remaining 47% of production (incentivized production, production of the Ulassai wind farm and the Energia Alternativa wind farm) will be valued in compliance with the provisions of

[8] Sources for the estimates on the Oil market: Platts, WMC and Nomisma (Dec '22) and FGE (Jan '23); Electricity & Gas Market: Ref4E, Nomisma, AFRY Pöyry and Elemens (Dec '22); for Q1_23 the Forward @ 09/01 curves were considered for Brent and Cracks and the Supply Chain Management Saras indications for the assumptions on crude premiums/discounts.

the 2023 Budget Law which introduced, in implementation of EU regulation 2022/1854, a price cap of 180 EUR/MWh to be applied to the revenues of the so-called "infra-marginal" plants, which achieved extraordinary revenues in 2022 thanks to the market price of electricity. This price cap will be applied to 100% of production starting from the second half of 2023.

Again, in the Renewables area, the Group continues the authorization activities for the development of new *greenfield* plants through the subsidiary Sardeolica.

During 2023, construction activities continued on the 80 MW Helianto plant, which is expected to enter into commercial operation in 2024.

As regards the other **projects launched by the Group as part of the energy transition strategy ("*New Energies*")**, Saras will continue its collaboration with Enel Green Power in 2023, 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 are underway (Ministry of Enterprises and Made in Italy) 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 were launched in 2022 to access the European Green New Deal and Horizon funds dedicated to CCS and CCU (Carbon Capture and Utilization) projects.

As regards the **Group's investments**, an important investment plan of EUR 180÷190 million is expected in 2023 for the Industrial & Marketing segment, for the efficiency and maintenance of the high 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 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 farm.

With regard to the expected trend of the **Group's Net Financial Position**, in the first part of the year this will be influenced by the payment of taxes (including the "windfall tax") and dividends relating to 2022. The scenario assumptions hypothesized by the Company and described above make it possible to predict a positive cash generation from operations in 2023, which will be used in part to finance the investment plan described above.

Main events after the end of the year 2022

On 27 January 2023 the Public Prosecutor's Office at the Court of Cagliari, in relation to the well-known investigations relating to the purchase of crude oil of Kurdish origin, notified the Company Executives involved of the Appeal against the sentence of the Public Prosecutor's Office of Cagliari, which has declared the non-suit judgment because the fact does not exist.

On 1 February 2023, Saras S.p.A. was informed that Angel Capital Management S.p.A. (ACM), a significant shareholder of Saras, has entered into a so-called funded collar derivative contrac with BofA Securities Europe S.A. for up to 47,576,140 ordinary shares of Saras. Saras is not a party to the transaction and has not issued or sold any Saras shares in connection with it.

On 9 February 2023, the Company announced that (with effect from the approval of the 2022 financial statements), Mr. Fabio Peretti will replace Mr. Franco Balsamo as Chief Financial Officer.

Shareholders' Meeting

The Board of Directors has given a mandate to the Chairman to convene the Ordinary Shareholders' Meeting on first call on 28 April 2023, as also indicated in the calendar of corporate events for the 2023 financial year. The notice of call convening the meeting and the related documentation will be published within the terms and in the manner prescribed by the law and regulations in force.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position as at: 31st December 2022

Thousands of EUR	31/12/2022	31/12/2021
ASSETS		
Current financial assets	**3,010,759**	**2,284,904**
Cash and cash equivalents	707,115	366,680
of which with related parties:		
Other financial assets	187,555	115,268
Trade receivables	728,881	546,511
of which with related parties:		*88*
Inventories	1,287,312	1,169,172
Current tax assets	74,929	32,954
Other assets	24,967	54,319
Non-current assets	**1,253,568**	**1,414,691**
Property, plant and equipment	1,147,135	1,227,395
Intangible assets	40,802	41,510
Right-of-use of leased assets	45,384	44,585
Other investments	745	507
Deferred tax assets	15,398	96,555
Other financial assets	4,104	4,139
non-current assets held for sale	**333**	**0**
Property, plant and equipment	333	0
Intangible assets	0	0
Total assets	**4,264,660**	**3,699,595**
LIABILITIES AND EQUITY		
Current liabilities	**2,327,702**	**2,683,506**
SH-T Financial liabilities	224,376	928,683
Trade and other payables	1,444,441	1,580,564
of which with related parties:		
Current tax liabilities	356,952	110,397
Other liabilities	301,933	63,862
Non-current liabilities	**724,584**	**222,371**
Long-term financial liabilities	446,909	51,845
Provisions for risks and charges	267,800	159,718
Provisions for employee benefits	6,002	6,883
Deferred tax liabilities	3,730	3,734
Other liabilities	143	191
Total liabilities	**3,052,286**	**2,905,877**
EQUITY		
Share capital	54,630	54,630
Legal reserve	10,926	10,926
Other reserves	729,902	718,828
Net result	416,916	9,334
Total equity attributable to the parent company	**1,212,374**	**793,718**
Third-party minority interests	-	-
Total equity	**1,212,374**	**793,718**
Total liabilities and equity	**4,264,660**	**3,699,595**

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

(2) Please refer to the Notes, section 3.2 “Summary of accounting standards and policies”

Consolidated Statement of Income and Consolidated Statement of Comprehensive Income for 2022

Thousands of EUR	1 January 31 December 2022	1 January 31 December 2021
Revenues from ordinary operations	15,777,146	8,561,324
of which with related parties:		
Other income	58,638	75,124
of which with related parties:		*159*
Total revenues	**15,835,784**	**8,636,448**
Purchases of raw materials, consumables and supplies	(12,869,707)	(7,183,639)
Services and other costs	(1,621,185)	(1,033,218)
of which with related parties:		*(1,075)*
Personnel costs	(174,542)	(142,570)
Depreciation/amortisation and write-downs	(204,715)	(198,525)
Total costs	**(14,870,149)**	**(8,557,952)**
Operating result	**965,635**	**78,496**
Net income (charges) from equity investments		
Financial income	240,087	64,217
Financial charges	(316,552)	(110,505)
Result before taxes	**889,170**	**32,208**
Income taxes	(472,254)	(22,874)
Net result	**416,916**	**9,334**
Net result attributable to:		
Shareholders of the parent company	416,916	9,334
Third-party minority interests	0	0
Net earnings per share – base (euro cents)	**43.84**	**0.99**
Net earnings per share – diluted (euro cents)	**43.84**	**0.99**

Consolidated statement of comprehensive income for the period 1st January - 31st December 2022

Thousands of EUR	1 January 31 December 2022	1 January 31 December 2021
Net result (A)	**416,916**	**9,334**
Items of comprehensive income that may subsequently be restated to profit or loss for the year		
Effect of translation of the financial statements of foreign operations	565	(751)
Items that will not be restated to profit or loss		
Actuarial effect IAS 19 on employee post-employment benefits	1,038	613
Items that will not be restated to profit or loss		
Cash Flow Hedging Reserve	137	
Other profit/(loss), net of the tax effect (B)	**1,740**	**(138)**
Total consolidated net result (A + B)	**418,656**	**9,196**
Total consolidated net result attributable to:		
Shareholders of the parent company	418,656	9,196
Third-party minority interests	0	0

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

(2) Please refer to the Notes, section 3.4 “Summary of accounting standards and policies”

Consolidated Statement of Changes in Equity for 2022

Thousands of EUR	Share Capital	Legal Reserve	Other Reserves	Profit (Loss) for the year	Total Equity attibutable to the Parent Company	Third-party Minority Interests	Total Equity
Balance at 31/12/2020	**54,630**	**10,926**	**994,482**	**(275,516)**	**784,522**	**0**	**784,522**
Allocation of previous year result			(275,516)	275,516	0		0
Translation effect of financial statements in foreign currency			(751)		(751)		(751)
Actuarial effect IAS 19			613		613		613
Net result				9,334	9,334		9,334
Total net result			*0*	*9,334*	*9,334*	*0*	*9,334*
Balance at 31/12/2021	**54,630**	**10,926**	**718,828**	**9,334**	**793,718**	**0**	**793,718**
Allocation of previous year result			9,334	(9,334)	0		0
Translation effect of financial statements in foreign currency			565		565		565
Actuarial effect IAS 19			1,038		1,038		1,038
Cash Flow Hedging Reserve			137		137		137
Net result				416,916	416,916		416,916
Total net result			*0*	*416,916*	*416,916*	*0*	*416,916*
Balance at 31/12/2022	**54,630**	**10,926**	**729,902**	**416,916**	**1,212,374**	**0**	**1,212,374**

Consolidated Statements of Cash Flow for 2022

Thousands of EUR	1/1/2022-31/12/2022	1/1/2021-31/12/2021
A - Opening cash and cash equivalents	**366,680**	**558,997**
B - Cash flow from (for) operating activities		
Net result	416,916	9,334
Unrealised exchange rate differences on bank current accounts	37,238	(14,178)
Amortisation, depreciation and write-downs of assets	204,715	198,525
Net change in risk provisions	108,082	(84,447)
Net change in provision for employee benefits	(881)	(2,018)
Net change in deferred tax liabilities and deferred tax assets	81,153	25,293
Net interest	29,832	19,708
Income tax set aside	391,101	(2,419)
Change in the fair value of derivatives	(6,633)	9,117
Other non-monetary components	1,740	(138)
Profit for the year before changes in working capital	**1,263,264**	**158,777**
(Increase)/Decrease in trade receivables	(182,370)	(289,870)
(Increase)/Decrease in inventories	(118,140)	(431,783)
(Increase)/Decrease in trade and other payables	(136,123)	663,970
Change other current assets	(12,623)	47,073
Change other current liabilities	208,329	28,287
Interest received	1,286	47
Interest paid	(31,118)	(19,755)
Taxes paid	(114,804)	0
Change other non-current liabilities	(48)	(189)
Total (B)	**877,652**	**156,557**
C - Cash flow from (for) investment activities		
(Investments) in tangible and intangible assets	(113,583)	(100,050)
(Investments) in Right-of-use of leased assets	(10,963)	(11,146)
(Increase)/Decrease in other financial assets and other investments	5,498	97,889
Change in non-current assets held for sale	(333)	0
Total (C)	**(119,381)**	**(13,307)**
D - Cash flow from (for) financing activities		
Increase/(decrease) m/l-term financial payables	395,064	(600,219)
Increase/(decrease) short-term financial payables	(775,662)	250,473
Total (D)	**(380,598)**	**(349,746)**
E - Cash flows for the period (B+C+D)	**377,673**	**(206,496)**
Unrealised exchange rate differences on bank current accounts	(37,237)	14,178
F - Closing cash and cash equivalents	**707,115**	**366,679**

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

SARAS SPA FINANCIAL STATEMENTS

Saras SpA Statement of Financial Position as at 31st December 2022

Thousands of EUR	31/12/2022	31/12/2021
ASSETS		
Current financial assets	**3,343,737**	**2,604,079**
Cash and cash equivalents	599,349	301,172
Other financial assets	867,916	682,332
of which with related parties:	*742,695*	*639,131*
Trade receivables	708,465	585,847
of which with related parties:	*504,113*	*409,440*
Inventories	1,153,882	990,348
Current tax assets	2,578	17,584
Other assets	11,547	26,796
of which with related parties:	*1,810*	*4,239*
Non-current assets	**499,993**	**533,980**
Property, plant and equipment	7,358	8,591
Intangible assets	3,014	2,390
Right-of-use of leased assets	5,868	3,466
Equity investments measured at cost	480,271	496,412
Other investments	738	500
Deferred tax assets	0	19,577
Other financial assets	2,744	3,044
Total assets	**3,843,730**	**3,138,059**
LIABILITIES AND EQUITY		
Current liabilities	**2,367,070**	**2,470,723**
SH-T Financial liabilities	251,309	861,056
of which with related parties:	*55,310*	*55,825*
Trade and other payables	1,647,517	1,404,987
of which with related parties:	*653,489*	*287,600*
Tax liabilities	311,060	71,091
Other liabilities	157,184	133,589
of which with related parties:	*124,311*	*119,326*
Non-current liabilities	**428,204**	**18,398**
Long-term financial liabilities	409,543	10,808
Provisions for risks and charges	2,320	5,914
Provisions for employee benefits	1,524	1,676
Deferred tax liabilities	14,817	0
Other liabilities	0	0
Total liabilities	**2,795,274**	**2,489,121**
EQUITY		
Share capital	54,630	54,630
Legal reserve	10,926	10,926
Other reserves	583,739	553,324
Net result	399,161	30,058
Total equity	**1,048,456**	**648,938**
Total liabilities and equity	**3,843,730**	**3,138,059**

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

(2) Please refer to the Notes, section 3.1 “Summary of accounting standards and basis of measurement”

Saras SpA Statement of Income for 2021 and Statement of Comprehensive Income for 2022

Thousands of EUR	1 January 31 December 2022	1 January 31 December 2021
Revenues from ordinary operations	13,904,945	7,592,114
of which with related parties:	*4,182,762*	*823,364*
Other income	101,750	53,270
of which with related parties:	*87,151*	*37,711*
Total revenues	**14,006,695**	**7,645,384**
Purchases of raw materials, consumables and supplies	(11,724,870)	(6,657,398)
of which with related parties:	*(1,955,838)*	*(1,170,357)*
Services and other costs	(1,259,315)	(609,542)
of which with related parties:	*(665,620)*	*(277,257)*
Personnel costs	(52,829)	(35,281)
Depreciation/amortisation and write-downs	(5,242)	(4,808)
Total costs	**(13,042,256)**	**(7,307,029)**
Operating result	**964,439**	**338,355**
Net income (charges) from equity investments	(13,041)	(188,301)
of which with related parties:	*(13,041)*	*(188,301)*
Financial income	251,071	80,013
of which with related parties:	*20,413*	*10,377*
Financial charges	(310,540)	(103,169)
of which with related parties:	*(5,219)*	*(11)*
Result before taxes	**891,929**	**126,898**
Income tax	(492,768)	(96,840)
Net result	**399,161**	**30,058**

SARAS S.p.A. - Statement of comprehensive income for the period 1st January - 31st December 2022

	1 January 31 December 2022	1 January 31 December 2021
Net result (A)	**399,161**	**30,058**
Items that will not be restated to profit or loss		
Actuarial effect IAS 19 on employee post-employment benefits	219	(142)
Items that will not be restated to profit or loss		
Cash Flow Hedging Reserve	137	
Other profit/(loss), net of the tax effect (B)	**357**	**(142)**
Consolidated net result (A + B)	**399,518**	**29,916**
Consolidated net result for the period attributable to:		
Shareholders of the parent company	399,518	29,916
Third-party minority interests	0	0

(1)) Please refer to the Note,s section 6 “Notes to the Statement of Comprehensive Income”

(2) Please refer to the Notes, section 3.1 “Summary of accounting standards and basis of measurement”

Saras SpA Statement of Changes in Equity for 2022

Thousands of EUR	Share Capital	Legal reserve	Other reserves	Profit (Loss) for the year	Total equity
Balance at 31/12/2020	**54,630**	**10,926**	**615,066**	**(65,198)**	**615,424**
Period 1/1/2021 - 31/12/2021					
Allocation of previous year result			(65,198)	65,198	0
Employee share plan reserve			3,598		3,598
Actuarial effect IAS 19			(142)		(142)
Net result				30,058	30,058
Total net result			*(142)*	*30,058*	*29,916*
Balance at 31/12/2021	**54,630**	**10,926**	**553,324**	**30,058**	**648,938**
Period 1/1/2022 - 31/12/2022					
Allocation of previous year result			30,058	(30,058)	0
Effetto attuariale IAS 19			219		219
Cash Flow Hedging Reserve			137		137
Net result				399,161	399,161
Total net result			*357*	*399,161*	*399,518*
Balance at 31/12/2021	**54,630**	**10,926**	**583,739**	**399,161**	**1,048,456**

Saras SpA Statement of Cash Flow 2022

Thousands of EUR	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
A - Opening cash and cash equivalents	**301,172**	**517,620**
B - Cash flow from (for) operating activities		
Net result	399,161	30,058
Unrealised exchange rate differences on bank current accounts	(6,653)	(6,438)
Amortisation, depreciation and write-downs of assets	5,242	4,808
Contributions to the income statements	0	0
Bad debt provision	0	5,552
Net income (charges) from equity investments	13,041	188,301
of which with related parties:	*13,041*	*188,301*
Net change in provisions for risks	(3,594)	(1,146)
Net change in provision for employee benefits	(152)	(310)
Net change in deferred tax liabilities and deferred tax assets	34,394	(386)
Net interest	10,412	5,308
Income tax set aside	458,374	97,226
Change in FV marketable financial assets and financial liabilities	(21,480)	9,003
Other non-monetary components	357	3,456
Profit (loss) of operating activities before monetary and non-monetary differences in working capital	**889,102**	**335,433**
(Increase) Decrease in trade receivables	(122,618)	(350,351)
of which with related parties:	*(94,673)*	*(228,140)*
(Increase) Decrease in inventories	(163,534)	(404,950)
(Increase) Decrease in trade and other payables	242,530	673,030
of which with related parties:	*232,291*	*(170,289)*
Change in other current assets	30,255	(25,754)
of which with related parties:	*2,429*	*(4,239)*
Change in other current liabilities	(100,159)	17,376
of which with related parties:	(534,163)	(106,928)
Interest received	17,978	10,368
of which with related parties:	*20,413*	*10,377*
Interest paid	(28,390)	(15,676)
of which with related parties:	*(5,219)*	*(11)*
Income taxes paid	(94,651)	0
Change in other non-current liabilities	0	0
Total (B)	**670,513**	**239,475**
C - Cash flow from (for) investment activities		
(Net investments) in property, plant and equipment and intangible assets	(7,035)	(1,733)
- of which paid capitalised passive interests		
Dividends received from subsidiaries	0	0
of which with related parties:	*0*	*0*
Change in investments	2,862	(5)
(Increase)/decrease in other financial assets	(114,271)	(50,437)
of which with related parties:	*0*	*0*
Other non-monetary changes	0	0
Total (C)	**(118,444)**	**(52,175)**
D -- Cash flow from (for) financing activities		
Increase/(decrease) m/l-term financial payables	398,735	(285,040)
Increase / (decrease) short-term financial payables	(659,280)	(125,146)
of which with related parties:	*(361,442)*	*(361,442)*
Distribution of dividends	0	0
of which with related parties:	*0*	*0*
(decrease) short term financial payables for refunds in the period	0	0
Distribution of dividends and treasury share purchases	0	0
Total (D)	**(260,545)**	**(410,186)**
E - Cash flows for the period (B+C+D)	**291,524**	**(222,886)**
Cash and cash equivalents transferred to Sarlux S.r.l.	0	0
Unrealised exchange rate differences on bank current accounts	6,653	6,438
F - Closing cash and cash equivalents	**599,349**	**301,172**

(1) Please refer to the Notes, section 5 “Notes to the Statement of Financial Position" and section 6 “Notes to the Statement of Comprehensive Income”

(2)) Please refer to the Notes, section 3.1 “Summary of accounting standards and basis of measurement”