The Board of Directors of SARAS SpA approves the Interim Financial Report as of 30th September 2019[1]

- **Q3/19 results significantly better than in the first half**. Refining segment maximized a more favourable scenario increasing the runs and delivering, also in this quarter, a strong industrial performance.
- **The comparable Group EBITDA was EUR 118 million in Q3/19** (EUR 122 million in Q3/18). Higher profitability of the Refining segment offset lower contribution of Power Generation. Comparable Net Result **equal to EUR 57 million well above** the same quarter of last year (EUR44 million).
- Net Financial Position at 30 September 2019 ante IFRS 16 effect, positive and equal to EUR 29 million (+EUR46 million as at 31st December 2018). Net Financial Position at 30 September 2019 post IFRS 16 effect equal to -EUR15 million.
- The expected benefits of the IMO legislation on shipping emissions are materializing, resulting in positive conditions for high-conversion and integrated refineries such as the Saras Group.
- Expansion of the Ulassai wind farm successfully and rapidly completed with the installation of 9 new turbines. Presence in renewable sources increased taking total installed capacity to 126 MW and production to around 250 GWh per year at regime (corresponding to 162,000 tons of CO_2 emissions avoided per year[2]).

Milan, 30th October 2019: The Board of Directors of Saras SpA met today under Chairman Massimo Moratti and approved the Interim Financial Report as of 30th September 2019, which is not subject to audit review. It should be noted that, in accordance with EU Directive 2013/50 transposed with Italian Leg. Decree n.25 dated 15th February 2016, which repealed the obligation to prepare the Interim Financial Reports, this Interim Financial Report has been issued on a voluntary basis, in order to ensure information continuity to the financial community in line with previous quarterly disclosure.

Saras Group key financial and operational results [3]

EUR Million	9M 2019	9M 2018	Change %	Q3/19	Q3/18	Change %
REVENUES	7,106	8,961	(*)	2,422	3,370	(*)
EBITDA reported	305.8	448.0	-32%	110.1	176.6	-38%
Comparable EBITDA	**217.5**	**272.8**	**-20%**	**117.8**	**122.4**	**-4%**
EBIT reported	162.2	318.8	-49%	60.5	132.3	-54%
Comparable EBIT	**74.0**	**143.6**	**-48%**	**68.2**	**78.1**	**-13%**
NET RESULT reported	66.8	154.1	-57%	42.7	72.7	-41%
***Comparable* NET RESULT**	**20.2**	**59.0**	**-66%**	**56.8**	**44.1**	**29%**

EUR Million	9M 2019	9M 2018		Q3/19	Q3/18	FY 2018
NET FINANCIAL POSITION ANTE IFRS 16	**28.6**	**73.8**		**28.6**	**73.8**	**46.0**
NET FINANCIAL POSITION POST IFRS 16	**(15.0)**			**(15.0)**		
CAPEX	**250.3**	**130.9**		**46.1**	**45.9**	**242.9**

(*) The change in revenues with the same accounting classification of the trading activity is equal to -2% compared to the first nine months of 2018 and equal to -7% compared to the third quarter of 2018.

[1] Pursuant to the provisions of article 154 bis, paragraph 2, of the Consolidated Finance Act, **Mr. Franco Balsamo, the Executive Director responsible for the preparation of the company's financial reporting,** states that the financial information set out in this press release corresponds to the company's documents, books and accounting records.

[2] Source: Sardinia Regional Environmental & Energy Plan. "Towards a shared energy economy". Technical proposal adoption and launch of strategic environmental evaluation procedure, pg. 114.

[3] In order to give a better representation of the Group's operating performance better reflecting the more recent market dynamic, and in line with the standard practice in the oil industry, the operating results and the Net Result are displayed valuing inventories with FIFO methodology but, compared to reported results, excluding unrealized inventories gain and losses due to changes in the scenario by valuing beginning-of-period inventories at the same unitary value of the end-of-period ones. Moreover the realized and unrealized differentials on oil and exchange rate derivatives with hedging nature which involve the exchange of physical quantities, are reclassified in the operating results, as they are related to the Group industrial performance, even if non accounted under the hedge accounting principles. Non-recurring items by nature, relevance and frequency and derivatives related to physical deals not of the period under analysis, are excluded by the operating results and the Net Result Comparable. Results calculated as above, called "comparable", are performance indicators not defined by the International Accounting Standards (IAS/IFRS) and they are not subject to audit.

Comments to First Nine Months of 2019 Group Results

The Groups revenues in 9M/19 were EUR 7,106 million compared to EUR 8,961 million in the first nine months of last year. The change reflects the different classification, carried out starting from Q4/18, of the revenues and costs related to the trading activity (equal to EUR 1,719 million in 9M/18). Moreover, average oil and products prices were lower, in detail in 9M/19 the price of gasoline averaged at 599 $/ton (compared to the average of 683 $/ton in 9M/18), while the price of diesel averaged out to 588 $/ton (compared to the average of 638 $/ton in 9M/18). As a result, revenues were lower by approximately EUR 1,720 million in the Refining segment and by more than EUR 110 million in the Marketing segment, also as effect of lower volumes sold (-4% vs 9M/18). The change in revenues with the same accounting classification of the trading activity is equal to -2%.

The Group's reported EBITDA in 9M/19 was EUR 305.8 million, lower than the EUR 448.0 million reported in 9M/18. This difference was mainly attributable to the Refining segment that, in the first nine months of 2019, operated in a less favourable scenario, with lower gasoline crack spread and discounts on heavy sour crudes, and was penalized by a relevant turnaround that was carried out in the first quarter of the year. Moreover, the scenario effect on the differences between the beginning and the end of the period inventories was positive but lower than the one registered in the same period of the previous year.

The reported Group Net Result was equal to EUR 66.8 million, compared to EUR 154.1 million in 9M/18. Amortisation and depreciation charges were ahead of the same period of previous year (EUR 143.6 million as compared to EUR 129.2 million in 9M/18), as effect of the application of IFRS 16 and the entry in operation of new investments. Financial charges stood at EUR 14 million (versus EUR 12.2 million in 9M/18). Finally other financial items (which comprise realised and unrealised differentials on derivative instruments, net exchange rate differences and other financial income and charges) were negative by approximately EUR 54 million in 9M/19 compared to a negative contribution of about EUR 90 million in 9M/18.

The comparable Group EBITDA was EUR 217.5 million in 9M/19, down versus EUR 272.8 million achieved in 9M/18. This result is mainly attributable the Power Generation segment that operated in a less favourable scenario and to the Refining segment that in the first months of the year carried out one of the heaviest turnaround on the plants of the last 5 years (the plants T2, V2, CCR and MHC1 were stopped for 60 days) and operated in a scenario featured by lower gasoline crack spread and discounts on heavy sour crudes. **The comparable Group Net Result in 9M/19 was EUR 20.2 million,** versus EUR 59.0 million in 9M/18.

It is worth noting that the aforementioned turnaround, penalised EBITDA by an estimated amount of EUR 60 million.

Investments in 9M/19 were EUR 250.3 million mainly focused on the Refining segment (EUR 206.6 million). Of the last approximately EUR 70 million refers to the capitalization of costs, mainly related to the aforementioned multi-annual turnaround.

The Net Financial Position as at 30th September 2019 ante effects of the IFRS 16 was positive by EUR 28.6 million, versus the EUR 46 million as at 31 December 2018. The cash flow generated by operations was absorbed by the investments made in the period and by the payment of taxes and of the dividend in May.

The **Net Financial Position as at 30th September 2019 post effects of the IFRS 16** (negative by EUR 43.5 million) **was negative by EUR 15.0 million**.

Comments to Third Quarter 2019 Group Results

The Groups revenues in Q3/19 were EUR 2,422 million down compared to EUR 3,370 million in the third quarter of last year. Such dynamic is due to the lower average oil and products prices compared to the same period of last year and the different classification, carried out starting from Q4/18, of the revenues and costs related to the trading activity (equal to EUR754 million in Q3/18). In particular, in Q3/19 the price of gasoline averaged at 605 $/ton (compared to the average of 712 $/ton in Q3/18), while the price of diesel averaged out to 578 $/ton (compared to the average of 668 $/ton in Q3/18). Refining segment revenues were lower by approximately EUR 870 million, Marketing segment revenues declined by about EUR 55 million and Power segment revenues declined by approximately EUR 20 million. The change in revenues with the same accounting classification of the trading activity is equal to -7%.

The Group's reported EBITDA in Q3/19 was EUR 110.1 million, down versus the EUR 176.6 million in Q3/18. The scenario effect on the differences between the beginning and the end of the period inventories was negative in the quarter (due to declining Brent Price) while it was positive in the same period of the previous year (featured by rising prices).

The reported Group Net Result was equal to EUR 42.7 million, compared to EUR 72.7 million in Q3/18. In Q3/19, amortisation and depreciation charges were above the same period of previous year (EUR 49.6 million versus EUR 44.3 million in Q3/18) for the above mentioned reasons while financial charges (equal to EUR 5.2 million) were in line with Q3/18. Finally other financial items (which comprise realised and unrealised differentials on derivative instruments, net exchange rate differences and other financial income and charges) were negative by approximately EUR 1 million in Q3/19 compared to a negative amount of approximately EUR 6 million in Q3/18.

The comparable Group EBITDA was EUR 117.8 million in Q3/19, compared to EUR 122.4 million earned in Q3/18 as the better profitability of the Refining segment offset lower contribution of Power Generation. The refinery in particular was able to maximize a more favourable scenario mainly in terms of higher diesel crack spread, rising the runs and confirming a strong operating performance. **The comparable Group Net Result in Q3/19 was EUR 56.8 million,** versus EUR 44.1 million in Q3/18.

Investments in Q3/19 were EUR 46.1 million mainly focused on the Refining segment (EUR 36.8 million).

Outlook

The year 2019 opened with Brent at around 60 $/bl, despite the agreement reached by the OPEC+ countries and the decline of export from Iran and Venezuela. Oil market proved to be quite balanced thanks to continuous increases in production by unconventional US producers. After a brief spike in the Brent price following the drone attacks against two of Saudi Arabia's most important oil infrastructures on September 14, the bearish trend prevailed. The forward curve point to a Brent of around 60 $/bl for the remaining part of the year. The price differential between light and heavy crude confirms to be tight due to the implementation of production cuts by OPEC+ producers and the US sanctions against Iran and Venezuela that limit mainly the availability of these qualities.

The outlook for the last quarter is positive. Middle distillates progressively reinforced during the third quarter reaching the seasonal maximum levels of the last few years also thanks to the first effects of the introduction of the IMO - Marpol VI regulation and the experts agree in indicating a crack spread in further strengthening in the fourth quarter as effect of the preparation of the logistics system to the new regulation. On gasoline it is anticipated a slight decline, after having reached rather high levels in the summer months, according to the usual seasonal pattern. In the Refining segment minor maintenance activities are planned for the last quarter on North Plants, topping “RT2” and Vacuum “V1” and the VisBreaking “VSB”.

Taking into consideration all the above the Saras group will aim to achieve, in last quarter a premium above the EMC Benchmark margin of around 2.4 ÷ 2.8 $/bl (net of maintenance).

After having completed the authorization procedure from the end if August the bunkering activity was started.

As for the Marketing segment results, it expected the consolidation of the good results achieved. The contribution of this activity must be considered jointly to that of refining due to the strong coordination between technical and commercial skills on which our business model is based.

With reference to the Power Generation segment, the annual planned maintenance program was completed in the first half of the year and no further activity is scheduled for the rest of the year. CIP6 tariff is influenced by lower gas prices driven by large availability of gas on the market.

Finally it was completed successfully the 30 MW expansion of our wind farm, taking total installed capacity to 126 MW. The new turbines entered into operation from 27th September.

Net Financial Position by year end is expected to stay positive.

Conference call on 30th October 2019 and other information

On October 30th, 2019, the Board of Directors of Saras SpA will meet in order to approve the Third Quarter and first nine months of 2019 Group's results. Subsequently a dedicated press release will be issued via SDIR and, at the same time, a slide presentation will become available on the company's website (www.saras.it).

On the same day at 16:00 CET, there will be a conference call for analysts and investors, during which the management will comment the results and answer to relevant questions.

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Link for the live webcast: https://87399.choruscall.eu/links/saras191030.html
Playback and transcript of the webcast will also be available on the company's website. For enquiries, please contact Saras' Investor Relations Department.

This press release has been prepared pursuant to the Regulation implementing Legislative Decree 24th February 1998 number 58, adopted by CONSOB under resolution 14th May 1999 number 11971, as amended and supplemented. It is available to the general public on the Company's website under "Investors/Financial Press Releases", and also on the "1Info" authorised storage mechanism (**www.1info.it**). Moreover, the Interim Financial Report as of 30th September 2019 is also available to the public at the Company's registered Office in Sarroch (CA) S.S. 195 Sulcitana Km. 19, at the administrative office in Milan, Via dell'Unione n. 1, on the Company's website under "Investors Financial Reports", and on the "1Info" authorised storage mechanism.

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THE SARAS GROUP

The Saras Group, founded by Angelo Moratti in 1962, has about 1,950 employees and total revenues of about 10.4 billion Euros as of 31st December 2018. Today, the Group is a leading European crude oil refiner and it is active also in the energy sector. It sells and distributes petroleum products in the domestic and international markets, directly and through its subsidiaries. The Group also operates in the production and sale of electricity, through its subsidiaries Sarlux Srl (IGCC plant) and Sardeolica Srl (Wind plant). Moreover, the Group provides industrial services to the oil, energy and environment sectors through its subsidiary Sartec Srl.