

Annual Shareholders Meeting 2020

- ❖ Saras S.p.A. Annual Financial Statements as of 31st December 2019 approved
- ❖ Full net result for the year 2019 allocated to extraordinary reserve
- ❖ First section of the Remuneration Report approved with a favourable opinion on the second Section of the same Report
- ❖ Board of Statutory Auditors integrated

Milan, 22nd May 2020: Saras S.p.A. Ordinary Shareholders' Meeting met today on first call, the participation in the Meeting of the Shareholders was allowed exclusively through the Designated Representative Spafid S.p.A. pursuant to Art. 135-undecies of TUF following the measures to contain the epidemiological emergency created by COVID-19 in accordance with the applicable regulations, chaired by Mr. Massimo Moratti who declared:

"Although not yet affected by the crisis for the Covid-19 emergency, year 2019 was characterized by a more complex environment than the one expected and many uncertainties, mainly as a consequence of the slowdown in the Chinese economy and of the tensions on the world's geopolitical scene. Notwithstanding the negative effects that such adverse scenario brought also on the oil and refining market, Saras concluded the fiscal year with positive results and a strong capital structure, consistent with the development plan at the date of approval of the draft Financial Statements, and with a balanced dividend policy. The situation emerged in the first months of 2020 affected by the health emergency did not have any impact on the financials of Saras Group for the year 2019, while Covid-19 impacts have been evidenced in the Interim Report as of March 31th 2020, as result of both the worsening of the crisis and the remaining uncertainty on demand recovery. In light of this development, the Company has accordingly decided, in a prudential perspective, to adopt all the measures aimed at better preserving its economic and financial strength, including the suspension of the proposal for the distribution of the dividend on 2019 profit, postponing such decision to the time when the Company will have a better view of the development of the current situation".

Approval of Saras S.p.A. Financial Statements as of 31st Dec 2019 and presentation of Group Consolidated Financial Statements

The Shareholders' Meeting approved Saras S.p.A. **Financial Statements as of 31st December 2019.**

During the Shareholders' Meeting the **Group Consolidated Financial Statements as of 31st Dec 2019** were presented. **Group revenues stood at EUR 9,518 million in FY 2019**, versus EUR 10,397 million FY 2018, **Group reported EBITDA in FY 2019 reached EUR 252.8 million**, (versus EUR 420.8 million reported in FY 2018) and **Group reported Net Result in FY 2019 was equal to EUR 26.2 million**, versus the EUR 140.4 million reported in FY 2018.

Group comparable EBITDA amounted to EUR 313.8 million in FY 2018, versus the EUR 385.9 million earned in FY 2018. This result is essentially attributable to the Power Generation segment, which operated in a less favourable market scenario and achieved a less satisfactory industrial performance.

The Refining segment maintained stable results, even though it operated in a context of lower refining margins and achieved a significant turnaround on plants in the first quarter, thanks to the good industrial performance and the positive contribution of planning activities.

Group comparable Net Result stood at EUR 67.3 million in FY 2019 versus EUR 132.7 million reported the previous year.

The aforementioned plant turnaround penalized EBITDA by an estimated EUR 60 million.

CAPEX in FY/19 was equal to EUR 344.6 million, mainly directed to the Refining segment (EUR 291.9 million), EUR 70 million of these investments refers primarily to the aforementioned long-term turnaround.

The Net Financial Position before the effects of applying IFRS 16 on 31st December 2019 stood cash-positive at EUR 79,0 million versus +EUR 46,0 million on 31st December 2018.

The cash flows generated by operating and commercial activities were partly absorbed by investments in the year, the payment of taxes and the dividend distribution in May. **The Net Financial Position at 31st December 2019, including the effects of IFRS16 (negative impact of EUR 48.7 million) was EUR 30.3 million.**



For information and details regarding the Group Consolidated Financial Statements for the fiscal year 2019, examined by the Shareholders' Meeting, please refer to the Management Report and the Consolidated Financial Statements available on the corporate website (www.saras.it).

Consolidated non-financial statement - Sustainability Report

During the Shareholders' Meeting was also presented **the Consolidated non-financial statement - Sustainability Report 2019** published as a separate document from the Annual Report. This statement drawn pursuant to Italian Legislative Decree no. 254 of 30/12/2016 is based on the standard of the Global Reporting Initiative (GRI – Sustainability Reporting Standards) and illustrates the commitment and social responsibility of the Group and the sustainability development strategies for the creation of share value, in full respect of health, safety and environment.

For information and details regarding the Sustainability Report 2018 - Consolidated non-financial statement pursuant to Italian Legislative Decree no. 254/2016, please refer to the full Report available on the corporate website (www.saras.it).

Allocation of annual result and distribution of dividends

The Shareholders' Meeting acknowledge the revocation of the proposal of dividends distribution resolved by the Board of Directors on 17th April 2020 and resolved to fully allocate the net result to extraordinary reserve.

Remuneration report pursuant to Art. 123-ter, of Legislative Decree no. 58/98

The Shareholders' Meeting approved the first section of the Remuneration Report, pursuant to Art. 123-ter, of Legislative Decree no. 58/98.

The Shareholders' meeting resolved to approve – pursuant to Article 123-ter, paragraph 3-ter, of Italian D. Lgs n. 58/1998 ("TUF") and to any other effect of law and regulation – the remuneration policy relating to the members of the administrative bodies, the general manager, the key management personnel with reference to the 2020 fiscal year and, without prejudice to the provision of Article 2402 of the Italian Civil Code, the board of statutory auditors, as described in the first section of the Report on remuneration.

Report on remuneration – second section: resolution pursuant to Article 123-ter of Italian Legislative Decree 58/1998.

The Shareholders' meeting expressed a favourable opinion on the second Section of the Report on remuneration, pursuant to Article 123-ter, paragraph 6, of TUF.

Integration of the Board of Statutory Auditors

Following the resignation of the standing auditor Giovanni Luigi Camera appointed by the Shareholders' Meeting of 27 April 2018, from the list submitted by the majority shareholders, effective as of the date of the Shareholders' Meeting, was necessary to proceed with the integration of the Board of Statutory Auditors in office, through the appointment of a standing auditor.

Pursuant to Article 26 of the Articles of Association, the list voting mechanism will not be applied, therefore the Shareholders' Meeting called to integrate the Board of Statutory Auditors deliberated with the majorities required by law on the basis of the nominations received.

The Shareholders' Meeting resolved to integrate the Board of Statutory Auditors, and Fabrizio Colombo was appointed standing auditor.

The Auditor will remain in office until the natural expiry of the current Board, i.e. until the Shareholders' Meeting called to resolve on the approval of the financial statements for the year ending 31st December 2020.

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THE SARAS GROUP

The Saras Group, founded by Angelo Moratti in 1962, has about 1,750 employees and total revenues of about 9.5 billion Euros as of 31st December 2019. 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 engineering and research services to the oil, energy and environment sectors through its subsidiary Sartec Srl.