

Letter to shareholders

Dear Shareholders,

in 2023, Eni achieved excellent operating and financial results amidst volatile energy markets. We have strongly executed against our strategy as several of our main ongoing projects have come to fruition. The strong performance of the Eni share in 2023 (+23% as measured in terms of the Total Shareholder Return), ranking one among the peer group, proves investors' confidence on the credibility of our transition pathway and on our execution capabilities.

We are embracing the triple challenge of ensuring affordable, reliable and increasingly sustainable energy supplies, essential for the functioning of the economy and society, through a pragmatic and sustainable approach based on the centrality of gas, on synergies between traditional and transition businesses and on the satellite model with the creation of specialized companies to accelerate the decarbonization of end customers, while we're working on breakthrough technologies which could change the energy paradigm in the long-term, such as the nuclear fusion.

In 2023, the E&P segment delivered outstanding growth. The Baleine oilfield off Côte d'Ivoire, Africa's first Net Zero emissions project (Scope 1 & 2), started production less than two years after discovery, leveraging on our fast-track model to reduce the reserve time-to-market. The "Congo Floating LNG" project has shipped its first cargo at the end of February 2024, thanks to the use of well-established technologies that have allowed us to devise a modular "small-scale" LNG development scheme, the first ever used in Africa, achieving

a start-up in record time. In Mozambique, the Coral South project, the world's first example of floating LNG in ultra-deep waters, has reached the production plateau.

Exploration recorded yet another successful year with 900 million boe of new resources, mainly gas-focussed, driven by the extraordinary Geng discovery in Indonesia, the largest in the industry in 2023, as well as near-field findings in Egypt, Congo and Mexico.

Hydrocarbon production increased by 3% to 1.65 million boe/d, despite continued capital discipline and focus on gas development. M&A activity has represented a key lever for strengthening the upstream portfolio. The acquisition of Neptune Energy, completed in January 2024, is highly synergistic with our gas assets portfolio and brings us significantly closer to our targets of a share of natural gas production of 60% by 2030 and of upstream decarbonization, as the acquired assets, are characterized by low emission intensity. With approximately 4 bcm/y of gas for the European market, we are expanding and diversifying our supply portfolio, while consolidating our position in Indonesia where, thanks to Neptune assets, the recent Geng discovery and the acquisition of interests in the fields of the so-called IDD area, we have identified a mineral potential of over 280 bcm in the region, which will represent one of the major growth areas of our upstream going forward. Finally, with a view to ensure stable energy supplies for Europe, we have strengthened our strategic presence in Algeria, through the acquisition of bp's gas assets in the country.



The GGP segment achieved a record performance thanks to the continued optimization of the natural gas and LNG portfolio and the benefits from contract renegotiations. The business essentially ceased purchases of Russian gas, two years ahead of schedule, without compromising the continuity of supplies and without financial shortfalls, while it continued to expand the contracted LNG portfolio thanks to the long-term agreements in Congo, Indonesia and Qatar that will ensure up to 6.8 bcm/y between 2025/2026 to serve the commercial plans and in line with the strategy upstream-midstream integration.

Plenitude and Enilive, Eni's two satellites focused on the marketing of decarbonized energy products and on the Scope 3 emission reduction of our clients, reported significant growth and excellent financial performance. Plenitude has reached its renewable capacity target of 3 GW, increased its network of EV charging points to 19,000 and consolidated a customer base of over 10 million clients.

The agreement with Energy Infrastructure Partners (EIP), where the investor has acquired a 7.6% minority stake in Plenitude with proceeds of €0.6 bln to Eni, gives visibility to the value of this business, currently estimated at €10 bln, allowing us to access aligned capital to support our growth plans.

Enilive, our sustainable mobility and biorefining subsidiary, has launched its international expansion program by purchasing a 50% share in the Chalmette biorefinery in Louisiana (USA), which has increased processing capacity to 1.65 million ton/y. Strategic initiatives are under evaluation in South-East Asia with LG Chem and Petronas, while in Italy, a final investment decision has been made regarding the restructuring of the Livorno hub to transform it into a biorefinery following the successful industrial reconversion of Gela and Porto Marghera.

In 2023 the Chemical business was negatively and significantly affected by an unfavorable trading environment, the acquisition of Novamont, leader in the the circular bioeconomy development and in the market for the production of biodegradable and compostable bioplastics and biochemicals, represents a primary driver of our restructuring

strategy of the business, which will leverage on integrating a unique and complementary technological platform, providing a significant contribution to the decarbonization of the product portfolio.

In the new business of permanent geological storage of CO₂ "CCS", we have established our leadership in European projects. In the UK, the HyNet North West hub, where Eni is operator of the transportation and storage phases, is progressing towards a final investment decision thanks to the agreement in principle with the competent British authorities on economic conditions and return on invested capital, making the project the world's first regulated business in the CCS field. In addition, Eni was granted a second storage license for the depleted Hewett field. The two projects have a total storage capacity of 500 million ton of CO₂. In Italy, the Callisto integrated project for the construction of a CCS hub in the Ravenna offshore, in synergy with Eni's depleted upstream reservoirs, has been included in the list of European Projects of Common Interest.

Technology is a milestone of Eni's transition path. Our approach leverages both technologies from traditional businesses and the research and application of break-through technologies able to reshape the future energy paradigm. For example, biorefining has been developed from traditional refining processes; the new CCS business leverages on reservoir technologies and our know-how in natural gas storage.

The MIT spin-out company, CFS, of which Eni is a strategic investor and with which we have established a technological cooperation agreement, is working on the implementation of a pilot project related to magnetic confinement fusion that will contribute in a revolutionary way to the energy transition.

Versalis has started the construction of the Hoop® technology demonstration plant for the chemical recycling of mixed plastic waste and is developing sustainable bioethanol from second-generation sugars for fuel production. We support research and innovation both in CO₂ capture/storage and in its economic reuse through an experimental mineralization technology for recycling in the production of cementitious material.

Our strategy and our industrial action are based on sustainability and responsible business conduct. Our transformation process is irreversible and will allow us to achieve Carbon neutrality by 2050 with the zeroing of the process and product emissions (Scope 1, 2 & 3), in line with the expectations of civil society and the global decarbonization targets.

In 2023, Eni received the "Gold Standard" award from the United Nations, as part of the Oil and Gas Methane Partnership 2.0 program, confirming the effectiveness of Eni's decarbonization strategy, with particular reference to the reduction of methane emissions, an issue that has taken on a central role in the international climate debate. During the COP28, Eni announced its participation in the Oil & Gas Decarbonization Accelerator, a platform launched by the COP28 Presidency to demonstrate the concrete contribution of the energetic sector to the decarbonization process. As part of the sustainable finance framework, we successfully placed a €1 bln convertible bond in 2023. We are working for a "just transition" in our African partner countries through the development of our original agri-business model vertically integrated with biorefining, making a positive contribution to the local economy and employment.

These initiatives are reflected in the high ESG/Climate ratings received by Eni, in particular: Climate Action 100+ Net Zero Benchmark ranked us among the top in the industry for the number of metrics met, thanks to the completeness of the GHG emission methodology, the medium/long-term intermediate targets and the emission boundary extended to the entire Company. Carbon Tracker ranked us, for the 4th consecutive year, the only company among the 25 largest companies in the O&G sector, due to the completeness of emission methodology and the ambition of the medium and long-term targets.

In 2023, we achieved outstanding economic and financial results. The proforma adjusted EBIT, which includes the contribution as Eni's share of the affiliates, was approximately €18 bln; the adjusted net profit was €8.3 bln.

Cash generation was robust with €16.5 bln of cash flow from operations before changes in working capital, which, net of organic capex of €9.2 bln, generates an organic FCF of €7.3 bln, higher than the significant

cash return to shareholders of €4.8 bln for the year, including dividends of €3 bln and buy-back of €1.8 bln. These results have allowed the Group to maintain a solid capital structure with a leverage of 20%.

STRATEGY AND 2024-2027 PLAN

We confirm our transition strategy based on organic growth in both traditional and new businesses, on our distinctive satellite model and financial discipline, with the aim of achieve Carbon neutrality by 2050 and intermediate targets of Net Zero emissions, Scope 1 & 2, at our upstream segment by 2030, and for all Eni businesses by 2035.

In line with this strategy and leveraging on the achievements of 2023, the 2024-2027 plan includes growing/high-grading the E&P business with a focus on OECD countries, gas/LNG, and on the development of fast-track projects, as well as impact of emission reduction investments to support energy security; growth in the value of new business associated with the transition, and active portfolio management.

E&P production is expected to grow at a rate of 3-4% per year until 2027, an average of 2%, after the planned divestments, driven by the start-ups/ramp-ups of new projects and by integrating Neptune assets.

Exploration will focus on gas discoveries in near-field areas, in line with our expected production mix targets, emission profile, and unit cost control of discovery and development, targeting high-risk, high-potential initiatives supported by capex of over €1.5 bln in the four-year period.

The installed renewable capacity is expected to grow to over 8 GW by 2027, and the biorefining capacity to over 3 million ton/y by 2026. The Enilive network will be enhanced and improved to increase the offering of products and services for sustainable mobility and the Plenitude electric vehicles charging network will double the number of recharges between 2023 and 2027.

The restructuring and transformation of Versalis, through the repositioning of its business towards specialized products such as bio-based chemicals and circularity, will generate an EBITDA in 2025 to breakeven and a positive EBIT by 2026.

Those developments will be funded by a Group selective spending program with net capex of €27 bln in the four-year period, around €7 bln per year.

The Group consolidated performance is expected to generate in 2024, a CFFO before changes in working capital equal to €13.5 bln, an increase by over 30% or by 45% per share, by 2027, at a constant scenario. This growth will be driven by all segments, with Plenitude and Enilive, the main businesses related to the energy transition, which together will represent around 20% of this increase, confirming the diversification of Eni's high-value activities.

The Plan includes a €1.8 bln reduction in corporate costs, in line with the evolution of the strategy and the opportunities arising from the development of the satellite model.

The execution of a growth and transition strategy with such ambitious operating and profitability targets will be financially balanced by the active portfolio management, through our "dual exploration model" to monetize important E&P assets, while maintaining the operatorship, the divestment of traditional non-strategic assets and the valorization of our satellites in the energy transition with the aim to generate net proceeds of approximately €8 bln over the plan period, and contribute to the maintenance of a solid financial

position with an expected leverage over the plan period at 15%-25%. The Company's outlook allows us to strengthen the shareholders' remuneration by distributing an amount equal to 30-35% of the CFFO, through dividends and buy-back programs. In the event of upside, up to 60% of incremental cash flows are expected to be used for buy-back programs.

Finally, leveraging on the successes of 2023, the 2024-2027 plan projects Eni towards challenging, but realistic growth targets based on the assets and options in our portfolio, laying the foundations for a significant increase in profitability and a rapid cash generation, that will guarantee leading shareholders returns, while accelerating the business transition and guaranteeing supply security. Eni owns strong fundamentals and a clear and credible strategy to meet the challenges of the future linked to the change in the energy paradigm. To conclude, on behalf of all top management, we want to express our thanks to all Eni's people, who, with their commitment, dedication and sense of belonging, have made possible the extraordinary results of 2023, laying the foundations for Eni's future successes.

Rome, March 13, 2024

On behalf of the Board of Directors

Giuseppe Zafarana
Chairman of the Board

Claudio Descalzi
Chief Executive Officer