

Financial review

Possible evolution in respect of the war in Ukraine

The crisis in the relationship between Russia and Ukraine that in February 2022 gave rise to the Russian military invasion and an open conflict on a large scale with violent armed clashes and tragic loss of human lives, constitutes a macroeconomic risk. Possible outcomes of this situation might include a prolonged armed conflict, a possible escalation in the military action, risks of expansion of the ongoing geopolitical crisis and a further tightening up of the economic sanctions against Russia. These factors could result in a scenario that could eventually sap consumers' confidence, deter investment decisions by operators and cripple industrial activities derailing the global recovery or, in the worst of the outcomes, triggering a new worldwide recession. This scenario would drive a reduction in hydrocarbons demands and of commodity prices and would adversely and significantly affect our results of operations and cash flow, as well as business prospects, with a possible lower remuneration of our shareholders.

Shortly after the outbreak of hostilities with the Russian invasion of Ukraine, the European Union, the USA, and the UK imposed a raft of stringent economic and financial sanctions against Russia, which have been added to those already in force since 2014.

The new restrictions have mainly targeted the Russian financial sector, precluding access to funding from US and EU-based financial institutions and several relevant Russian entities operating in the Oil & Gas sector. Currently, the new sanctions continue to permit the purchase of oil, natural gas and refined products exported by Russian entities, or the maintenance of business relationships with certain Russian entities; however, as long as the conflict continues, it is possible that increasingly tight sanctions could be imposed. Furthermore, the situation in the marketplace has evolved concurrently, as many Western traders, oil companies, refiners and brokers have begun reducing purchases of crude oil from Russia giving rise to a sort of a private market sanctioning system. Finally, the President of the USA signed an executive order to ban all imports of Russian energy products. Those developments have destabilized energy markets as evidenced by the material discount of the Ural Russian crude benchmark, triggering a spike in market volatility and propelling the Brent price at about 130 \$/bbl in the last days of February and

into early March 2022. Natural gas prices for the continental Europe spot benchmark surged to new all-time highs driven by fears of supply disruptions (approximately €200 Mwh).

This volatility could increase counterparty and margining risks (see the section "Risk factors and uncertainties").

Eni's current presence in Russia is insignificant. Exploration projects in the Russian upstream are in a shut-down phase, also due to certain sanctions already in force before the recent crisis, and the related costs have been entirely impaired in previous reporting periods. Eni holds a stake in the Blue Stream pipeline that transports russian-sourced gas across the Black Sea, jointly marketed by Eni and Gazprom to Turkey's state-owned company Botas. It represents a non-significant value in Eni's balance sheet. Management is considering different options for a possible sale of this stake.

The most significant transactions between Eni and its Russian counterparts concern the purchase of natural gas from the Russian state company Gazprom on the basis of the long-term take-or-pay contracts (in 2021 about 22 billion cubic meters for the Italian market). Eni's gas portfolio availability from other geographies, access to transport capacities, contracts flexibility and presence in the LNG segment (in particular through the Damietta plant) as well as long-term relations with producing countries (primarily Algeria and Libya) are all options that the Company can activate in the event of unpredictable scenarios of sanctions by the international community against Russian Oil & Gas.

As far as crude oil supplies are concerned, although Eni's refining system has always processed Ural crudes, plants flexibility and trading skills in the supply eventually allow us to replace this crude oil in our processes.

Furthermore, in certain upstream projects in different countries in the world the counterparties are Russian.

Any decision on such presence is on behalf of the State Companies of the Countries where these initiatives are located. Eni has taken the necessary measures to ensure that its activities are carried out in accordance with the applicable rules, ensuring continuous monitoring of the evolution of the sanctioning framework, to adapt its activities on an ongoing basis to the restrictions applicable from time to time.

Impacts of the COVID-19 pandemic

The macroeconomic environment has gradually improved during 2021 due to the effective vaccination campaigns against the COVID-19 disease, together with measures to contain the spread of the virus, particularly in OECD Countries, allowing for a phased reopening of the economic activities and increasing mobility of people. The expansionary monetary policies adopted by the central banks and the large scale fiscal stimulus launched by the governments supported consumptions and investments. In this context, the demand for hydrocarbons and the prices of commodities, main driver of the Group's financial results, recorded a significant rebound. Global energy demand first stabilized and then unexpectedly increased in the last quarter of the year, driven by an acceleration in the pace of the economic recovery, resulting in an increase in the average price of oil for the year by 70% vs. 2020 at about 71 \$/barrel, while natural gas prices recorded material increases (in the order of several hundreds percentage points) due to a particularly tight market. These trends were the basis of the strong recovery in profitability in the Exploration & Production and Global Gas & LNG Portfolio segments, and to a lesser extent a solid performance of the chemical business line, driven by a recovery in demand for commodities. The Refining & Marketing business has continued to be weighted down by the effects of the pandemic, due to

weak demands for jet fuel that penalized the profitability of traditional refineries by creating an oversupply of gasoil leading to significantly lower products spreads. The profitability was also affected by the higher costs of gas-indexed energy and plant utilities and the higher costs for the purchase of emission allowances to comply with the environmental obligations of the European ETS, which more than doubled due to a recovery in industrial activities and as consumption of coal increased significantly due to its cost-competitiveness against natural gas to fire power generation and to produce steam.

Overall, 2021 saw a significant rebound in consolidated results which closed with a profit of €5.82 billion compared to a loss of €8.64 billion in 2020 and an operating cash flow of €12.86 billion, which increased by approximately €8 billion compared to 2020.

Looking to the future, the main risks for the Group's financial performance are linked to the possibility of the spread of new vaccine-resistant variants of the virus, as well as the resumption of inflation driven by the spill-over effects through the supply chains of increased raw material costs as the ultimate, unintended effect of accommodative monetary policies and big tax measures adopted to help the economy recover from the fallout of the pandemic.

PROFIT AND LOSS ACCOUNT

	(€ million)	2021	2020	2019	Change	% Ch.
Sales from operations		76,575	43,987	69,881	32,588	74.1
Other income and revenues		1,196	960	1,160	236	24.6
Operating expenses		(58,716)	(36,640)	(54,302)	(22,076)	(60.3)
Other operating income (expense)		903	(766)	287	1,669	..
Depreciation, depletion, amortization		(7,063)	(7,304)	(8,106)	241	3.3
Net impairment reversals (losses) of tangible and intangible and right-of-use assets		(167)	(3,183)	(2,188)	3,016	94.8
Write-off of tangible and intangible assets		(387)	(329)	(300)	(58)	(17.6)
Operating profit (loss)		12,341	(3,275)	6,432	15,616	..
Finance income (expense)		(788)	(1,045)	(879)	257	24.6
Income (expense) from investments		(868)	(1,658)	193	790	47.6
Profit (loss) before income taxes		10,685	(5,978)	5,746	16,663	..
Income taxes		(4,845)	(2,650)	(5,591)	(2,195)	(82.8)
Tax rate (%)		45.3	..	97.3		
Net profit (loss)		5,840	(8,628)	155	14,468	..
attributable to:						
- Eni's shareholders		5,821	(8,635)	148	14,456	..
- Non-controlling interest		19	7	7	12	..

Eni's 2021 results were markedly influenced by the recovery in the energy commodity price scenario. In 2021 the average reference price of the Brent marker was 71 \$/bbl, +70% compared to 2020. The European gas market was characterized by extreme conditions due to the tight supply and uncertainties on supplies from Russia: spot price at the continental hub "TTF" reached an average of 46 €/MWh, increasing by more than 300%; aligned values for the Italian spot price "PSV".

Similar conditions were recorded in the wholesale electricity market with the Italian "PUN" price at an average 125 €/MWh, +86% compared to 2020, peaking at 440 €/MWh in the fourth quarter of the year. Eni's refining margin (Standard Eni Refining Margin) continued to fall during the last year with the average of the period falling to a negative -0.9 \$/bbl (a positive 1.7 \$/bbl in 2020).

The weak trend recorded during the year reached a further bearish acceleration in the last quarter of the year, particularly in the last month, due to the exceptional gas prices affecting both the cost of processing and refinery utilities, in addition to the pre-existing factors of recovery in the cost of the oil charge supported by OPEC + production management and weakness of some outlet markets depressing spreads of the products, in particular jet fuel and diesel, due to oversupply. In addition, recorded increased cost of emission allowances to comply with the European ETS.

2021 cracker margin, reference marker for the chemical business, declined by 11%; elastomers, styrenic and polyethylene spreads were steady.

	2021	2020	2019	% Ch.
Average price of Brent dated crude oil in U.S. dollars ^(a)	70.73	41.67	64.30	69.7
Average EUR/USD exchange rate ^(b)	1.183	1.142	1.119	3.6
Average price of Brent dated crude oil in euro	59.80	36.49	57.44	63.9
Standard Eni Refining Margin (SERM) ^(c)	(0.9)	1.7	4.3	(152.9)
PSV ^(d)	487	112	171	334.8
TTF ^(d)	486	100	142	386.0

(a) Price per barrel. Source: Platt's Oilgram.

(b) Source: ECB.

(c) In \$/BBL FOB Mediterranean Brent dated crude oil. Source: Eni calculations. Approximates the margin of Eni's refining system in consideration of material balances and refineries' product yields.

(d) €/kcm.

Adjusted results and breakdown of special items

Net profit attributable to Eni's shareholders was €5,821 million in 2021 compared to a loss of €8,635 million in the previous year. Financial discipline and cost reduction initiatives implemented to withstand the enduring impact of COVID-19 enabled Eni to capture the full upside of 2021's strong economic recovery, allowing Eni to report excellent results in a more favourable environment and in an energy scenario with better fundamentals. Net profit recovered to pre-COVID

level, benefitting from the significant growth in operating profit to €12,341 million compared to the operating loss of €3,275 million in 2020, affected by lockdown measures to contain the spread of the COVID-19 pandemic. Finally, net income was positively impacted by a tax rate returned to values in line with the Group's historical averages.

The following tables report the breakdown of the operating profit by business:

	(€ million)	2021	2020	2019	Change	% Ch.
Exploration & Production		10,066	(610)	7,417	10,676	..
Global Gas & LNG Portfolio		899	(332)	431	1,231	..
Refining & Marketing and Chemicals		45	(2,463)	(682)	2,508	..
Plenitude & Power		2,355	660	74	1,695	..
Corporate and other activities		(816)	(563)	(688)	(253)	(44.9)
Impact of unrealized intragroup profit elimination		(208)	33	(120)	(241)	..
Operating profit (loss)		12,341	(3,275)	6,432	15,616	..

Management determines adjusted results excluding extraordinary gains/charges or special items, in order to improve understanding of the key businesses.

ADJUSTED RESULTS AND BREAKDOWN OF SPECIAL ITEM

	(€ million)	2021	2020	2019	Change	% Ch.
Operating profit (loss)		12,341	(3,275)	6,432	15,616	..
Exclusion of inventory holding (gains) losses		(1,491)	1,318	(223)		
Exclusion of special items		(1,186)	3,855	2,388		
Adjusted operating profit (loss)		9,664	1,898	8,597	7,766	409.2
Breakdown by business segments:						
<i>Exploration & Production</i>		9,293	1,547	8,640	7,746	..
<i>Global Gas & LNG Portfolio</i>		580	326	193	254	77.9
<i>Refining & Marketing and Chemicals</i>		152	6	21	146	..
<i>Plenitude & Power</i>		476	465	370	11	2.4
<i>Corporate and other activities</i>		(593)	(507)	(602)	(86)	(17.0)
<i>Impact of unrealized intragroup profit elimination and other consolidation adjustments</i>		(244)	61	(25)	(305)	
Net profit (loss) attributable to Eni's shareholders		5,821	(8,635)	148	14,456	..
Exclusion of inventory holding (gains) losses		(1,060)	937	(157)		
Exclusion of special items		(431)	6,940	2,885		
Adjusted net profit (loss) attributable to Eni's shareholders		4,330	(758)	2,876	5,088	..

In 2021, the **adjusted operating profit** was €9,664 million, a recovery of significant proportions equal to an increase of €7.8 billion or over 400% from 2020. This performance was driven by the financial discipline and cost reduction initiatives implemented to withstand the enduring impact of COVID-19 and enabled Eni to capture the recovery in energy scenario due to a strong recovery in commodity prices driven by completely different market conditions, which turned to balanced/undersupplied compared to oversupplied markets a year ago impacted by the pandemic COVID-19, due to the reopening of the economies and a strong macroeconomic cycle which drove hydrocarbons demands and significant drawdowns at global oil and products inventories. Commodities supply was impacted by capex plan reduction of oil companies in response to the crisis of the COVID-19.

These trends resulted in robust price increases for all energy commodities (in the full year 2021, Brent price was 70.73 \$/bbl on average up 70%; the Italian reference spot price "PSV" of natural gas was up 487 €/kcm, or 335%).

For a detailed disclosure of business performance, see "Results by business segments".

In 2021 Eni Group reported an **adjusted net profit** of €4,330 million driven by a better operating performance and a lower tax rate (50% in 2021 compared to 175% in 2020).

Breakdown of special items

Net profit includes special items consisting of net gains of €431 million, relating to the following:

i) the accounting effect of certain fair-valued commodity derivatives lacking the formal criteria to be classified as

- ii) reversals of previously recognized impairment losses for €1,244 million relating to gas fields in Italy and fields in Congo, Libya, the USA and Algeria, driven by an improved hydrocarbon pricing environment;
- iii) impairment losses at refineries (approximately €900 million) relating to the book value of operated plants and managed through JV in Italy and in Europe, driven by expected decreasing cash flows reflecting lowered outlook for refining margins and the forecast of higher expenses for emission allowances, as well as the write-down of capital expenditure relating to certain Cash Generating Units in the R&M business. These units were impaired in previous reporting periods and continued to lack any profitability prospects (for an overall impact of approximately €300 million);
- iv) the impairment of exploration projects (€247 million) due to the refocusing of the portfolio with the exiting from marginal areas;
- v) the impairment of Chemical assets due to a deteriorated margin scenario (€163 million);
- vi) the difference between the value of gas inventories accounted for under the weighted-average cost method provided by IFRS and management's own measure of inventories, which moves forward at the time of inventory drawdown the margins captured on volumes in inventories above their normal levels leveraging the seasonal spread in gas prices net of the effects of the associated commodity derivatives (gains of €352 million);

- vii) environmental provisions (€271 million) mainly in the R&M and Chemical segment;
- viii) provisions for redundancy incentives (€193 million);
- ix) risk provisions (€142 million);
- x) an allowance for doubtful accounts relating to receivables net of finance expense (€109 million) in the E&P segment;
- xi) charges of €405 million relating to the JV Vår Energi, mainly driven by impairment losses recorded at Oil & Gas assets due to delays in the start-up of certain projects and increasing opex as well as accrued currency translation differences at finance debt denominated in a currency other than the reporting currency for which the reimbursement cash outflows are expected to be matched by highly probable cash inflows from the sale of production volumes, in the same currency as the finance debt as part of a natural hedge relationship;
- xii) the alignment of raw material and products inventories to their net realizable values at period end, impairments and extraordinary charges at ADNOC Refining, for a total charges of €244 million;
- xiii) Eni's share of non current charges/impairments relating to Saipem.

BREAKDOWN OF SPECIAL ITEMS

	(€ million)	2021	2020	2019
Special items of operating profit (loss)		(1,186)	3,855	2,388
- environmental charges		271	(25)	338
- impairment losses (impairments reversal), net		167	3,183	2,188
- impairment of exploration projects		247		
- net gains on disposal of assets		(100)	(9)	(151)
- risk provisions		142	149	3
- provision for redundancy incentives		193	123	45
- commodity derivatives		(2,139)	440	(439)
- exchange rate differences and derivatives		183	(160)	108
- other		(150)	154	296
Net finance (income) expense		(115)	152	(42)
of which:				
- exchange rate differences and derivatives reclassified to operating profit (loss)		(183)	160	(108)
Net (income) expense from investments		851	1,655	188
of which:				
- gains on disposal of assets				(46)
- impairments / revaluation of equity investments		851	1,207	148
Income taxes		19	1,278	351
Total special items of net profit (loss)		(431)	6,940	2,885

The breakdown by segment of the adjusted net profit is provided in the table below:

	(€ million)	2021	2020	2019	Change	% Ch.
Exploration & Production		5,543	124	3,436	5,419	..
Global Gas & LNG Portfolio		169	211	100	(42)	(19.9)
Refining & Marketing and Chemicals		62	(246)	(42)	308	..
Plentitude & Power		327	329	275	(2)	(0.6)
Corporate and other activities		(1,576)	(1,205)	(866)	(371)	(30.8)
Impact of unrealized intragroup profit elimination and other consolidation adjustments ^(a)		(176)	36	(20)	(212)	
Adjusted net profit (loss)		4,349	(751)	2,883	5,100	..
attributable to:						
- Eni's shareholders		4,330	(758)	2,876	5,088	..
- Non-controlling interest		19	7	7	12	..

(a) This item concerned mainly intragroup sales of commodities, services and capital goods recorded in the assets of the purchasing business segment as of end of the period.

PROFIT AND LOSS ANALYSIS

REVENUES

	(€ million)	2021	2020	2019	Change	% Ch.
Exploration & Production		21,742	13,590	23,572	8,152	60.0
Global Gas & LNG Portfolio		20,843	7,051	11,779	13,792	195.6
Refining & Marketing and Chemicals		40,374	25,340	42,360	15,034	59.3
- Refining & Marketing		36,501	22,965	39,836	13,536	58.9
- Chemicals		5,590	3,387	4,123	2,203	65.0
- Consolidation adjustments		(1,717)	(1,012)	(1,599)		
Plenitude & Power		11,187	7,536	8,448	3,651	48.4
- Plenitude		7,452	6,020	6,424	1,432	23.8
- Power		3,996	1,894	2,476	2,102	..
- Consolidation adjustments		(261)	(378)	(452)		
Corporate and other activities		1,698	1,559	1,676	139	8.9
Consolidation adjustments		(19,269)	(11,089)	(17,954)	(8,180)	
Sales from operations		76,575	43,987	69,881	32,588	74.1
Other income and revenues		1,196	960	1,160	236	24.6
Total revenues		77,771	44,947	71,041	32,824	73.0

Total revenues amounted to €77,771 million, reporting an increase of 73% from 2020.

The acceleration of the global recovery, driven by the re-opening of the world's economies, spurred a pent-up demand for all kinds of energy commodities across all geographies, determining the boost in all commodity prices.

Sales from operations in the full year of 2021 (€76,575 million) increased by €32,588 million or up by 74.1% from 2020, with the following breakdown:

- ▶ revenues generated by the Exploration & Production segment (€21,742 million) increased by 60% due to a better price scenario, reflected on hydrocarbon realizations (up by 78% on average from 2020);
- ▶ revenues generated by the Global Gas & LNG Portfolio segment (€20,843 million) increased by €13,792 million or

up by 196%, reflecting higher spot prices for natural gas, significantly improved in the fourth quarter of 2021, due to short supply and uncertainty on flows of supplied gas as well as higher volumes marketed, in particular of LNG;

- ▶ revenues generated by the Refining & Marketing and Chemicals segment (€40,374 million) increased by €15,034 million (up by approximately 60%) due to higher prices of refined products (fuel up by 76% and gasoil up by 60%) and plastics commodities, reflecting the economic recovery;
- ▶ revenues generated by the Plenitude & Power segment (€11,187 million) increased by €3,651 million or up by 48%, due to increased commodity prices following the economic recovery, the acquisition of Aldro Energía and the positive performance of the extracommodity business and the increase in the number of customers.

OPERATING EXPENSES

	(€ million)	2021	2020	2019	Change	% Ch.
Purchases, services and other		55,549	33,551	50,874	21,998	65.6
Impairment losses (impairment reversals) of trade and other receivables, net		279	226	432	53	23.5
Payroll and related costs		2,888	2,863	2,996	25	0.9
of which: provision for redundancy incentives and other		193	123	45		
		58,716	36,640	54,302	22,076	60.3

Operating expenses for 2021 (€58,716 million) increased by €22,076 million from 2020, up by 60%. Purchases, services and other (€55,549 million) were up by 66% vs. 2020, mainly reflecting higher costs for hydrocarbon supplies (gas under long-term supply contracts and refinery and

chemical feedstocks). Payroll and related costs (€2,888 million) were almost unchanged from 2020 (up by €25 million, or by 0.9%), mainly due to the appreciation of the euro against the USD, partly offset by higher provision for redundancy incentives.

DEPRECIATION, DEPLETION, AMORTIZATION, IMPAIRMENTS (REVERSALS) AND WRITE-OFF

	(€ million)	2021	2020	2019	Change	% Ch.
Exploration & Production		5,976	6,273	7,060	(297)	(4.7)
Global Gas & LNG Portfolio		174	125	124	49	39.2
Refining & Marketing and Chemicals		512	575	620	(63)	(11.0)
- Refining & Marketing		417	488	530	(71)	(14.5)
- Chemicals		95	87	90	8	9.2
Plenitude & Power		286	217	190	69	31.8
- Plenitude		241	172	135	69	40.1
- Power		45	45	55		
Corporate and other activities		148	146	144	2	1.4
Impact of unrealized intragroup profit elimination		(33)	(32)	(32)	(1)	
Total depreciation, depletion and amortization		7,063	7,304	8,106	(241)	(3.3)
Impairment losses (impairment reversals) of tangible and intangible and right of use assets, net		167	3,183	2,188	(3,016)	(94.8)
Depreciation, depletion, amortization, impairments and reversals, net		7,230	10,487	10,294	(3,257)	(31.1)
Write-off of tangible and intangible assets		387	329	300	58	17.6
		7,617	10,816	10,594	(3,199)	(29.6)

Depreciation, depletion and amortization (€7,063 million) decreased by 3.3% or €241 million from 2020, in particular in the Exploration & Production segment mainly due to the lower book value of Oil & Gas assets as consequence of impairments recorded in 2020, lower production volumes as well as the appreciation of the euro vs. the USD, partially offset by start-up and ramp-up of new projects.

Net impairment losses (impairment reversals) of tangible and intangible and right of use assets amounted to €167 million and the disclosure is provided under the paragraph "special items". The breakdown by segment is provided below:

	(€ million)	2021	2020	2019	Change
Exploration & Production		(1,244)	1,888	1,217	(3,132)
Global Gas & LNG Portfolio		26	2	(5)	24
Refining & Marketing and Chemicals		1,342	1,271	922	71
Plenitude & Power		20	1	42	19
Corporate and other activities		23	21	12	2
Impairment losses (impairment reversals) of tangible and intangible and right of use assets, net		167	3,183	2,188	(3,016)

Write-off charges amounted to €387 million and mainly related to the E&P segment. In 2021, exploration and appraisal activities comprised write-offs of unsuccessful exploration wells costs for €331 million mainly in Gabon, Montenegro, Myanmar, Bahrain, Egypt and Angola.

Write-offs of €35 million related to exploration licenses due mainly to the exiting from marginal areas due to geopolitical or environmental issues.

FINANCE INCOME (EXPENSE)

	(€ million)	2021	2020	2019	Change
Finance income (expense) related to net borrowings		(849)	(913)	(962)	64
- Interest expense on corporate bonds		(475)	(517)	(618)	42
- Net income from financial activities held for trading		11	31	127	(20)
- Interest expense for banks and other financing institutions		(94)	(102)	(122)	8
- Interest expense for lease liabilities		(304)	(347)	(378)	43
- Interest from banks		4	10	21	(6)
- Interest and other income from receivables and securities for non-financing operating activities		9	12	8	(3)
Income (expense) on derivative financial instruments		(306)	351	(14)	(657)
- Derivatives on exchange rate		(322)	391	9	(713)
- Derivatives on interest rate		16	(40)	(23)	56
Exchange differences, net		476	(460)	250	936
Other finance income (expense)		(177)	(96)	(246)	(81)
- Interest and other income from receivables and securities for financing operating activities		67	97	112	(30)
- Finance expense due to the passage of time (accretion discount)		(144)	(190)	(255)	46
- Other finance income (expense)		(100)	(3)	(103)	(97)
		(856)	(1,118)	(972)	262
Finance expense capitalized		68	73	93	(5)
		(788)	(1,045)	(879)	257

Net finance expenses were €788 million, a decrease of €257 million from 2020. The main drivers were: (i) recognition of income on exchange rate (+€936 million) offset by the negative change of fair-valued currency derivatives (down by €713 million) lacking the formal criteria to be designated as hedges under IFRS 9; (ii) decrease of interest expense (+€42 million) reflecting a reduction cost of finance debt due to a

lower benchmark interest rates, as well as the positive change in the fair value of interest rate derivatives (+€56 million) lacking the formal criteria to be designed as hedges; (iii) lower interest expenses for lease liabilities due to exchange rate effects (+€43 million). Other finance expense increased by €97 million mainly due to a discounted receivable in the E&P segment.

NET INCOME FROM INVESTMENTS

2021	(€ million)	Exploration & Production	Global Gas & LNG Portfolio	Refining & Marketing and Chemicals	Plenitude & Power	Corporate and other activities	Group
Share of gains (losses) from equity-accounted investments		8		(333)		(766)	(1,091)
Dividends		171		59			230
Net gains (losses) on disposals		1					1
Other income (expense), net			(5)	3	(3)	(3)	(8)
		180	(5)	(271)	(3)	(769)	(868)

Net expense from investments amounted to €868 million related to:

- ▶ a loss of €1,091 million due to the share of losses at equity-accounted entities, mainly: (i) ADNOC Refining, due to the accounting of extraordinary charges; and (ii) Eni's interest of the JV Saipem losses;
- ▶ dividends of €230 million paid by minor investments in certain entities which were designated at fair value through OCI under IFRS 9 except for dividends which are recorded through profit. These entities mainly comprised Nigeria LNG (€144 million) and Saudi European Petrochemical Co. (€54 million).

The table below sets forth a breakdown of net income/loss from investments:

	(€ million)	2021	2020	2019	Change
Share of gains (losses) from equity-accounted investments		(1,091)	(1,733)	(88)	642
Dividends		230	150	247	80
Net gains (losses) on disposals		1		19	1
Other income (expense), net		(8)	(75)	15	67
Income (expense) from investments		(868)	(1,658)	193	790

INCOME TAXES

In 2021, income taxes amounted to €4,845 million, an increase of €2,195 million, with a profit before income taxes of €10,685 million (a loss before income taxes of €5,978 million in 2020).

In 2021, the Group's tax rate was 45% (compared to disproportionate value in 2020). The main driver of this trend was the normalization of the E&P tax rate, which was driven by a better geographical mix of profits on the back of

a strengthened scenario, which lowered the relative weight of jurisdictions characterized by higher tax rates, as well as the fact that the 2020 reporting period was affected by a number of tax dis-optimizations resulting in a particularly high tax rate.

Adjusted tax rate was 50% due to the same drivers disclosed in the reported tax rate disclosure.

Results by business segments¹

EXPLORATION & PRODUCTION

	(€ million)	2021	2020	2019	Change	% Ch.
Operating profit (loss)		10,066	(610)	7,417	10,676	..
Exclusion of special items:		(773)	2,157	1,223		
- environmental charges		60	19	32		
- impairment losses (impairment reversals), net		(1,244)	1,888	1,217		
- impairment of exploration projects		247				
- net gains on disposal of assets		(77)	1	(145)		
- provision for redundancy incentives		60	34	23		
- risk provisions		113	114	(18)		
- exchange rate differences and derivatives		(3)	13	14		
- other		71	88	100		
Adjusted operating profit (loss)		9,293	1,547	8,640	7,746	..
Net finance (expense) income ^(a)		(313)	(316)	(362)	3	
Net income (expense) from investments ^(a)		681	262	312	419	
of which: Vår Energi		425	193	122		
Income taxes ^(a)		(4,118)	(1,369)	(5,154)	(2,749)	
Adjusted net profit (loss)		5,543	124	3,436	5,419	..
Results also include:						
Exploration expenses:		558	510	489	48	9.4
- prospecting, geological and geophysical expenses		194	196	275	(2)	(1.0)
- write-off of unsuccessful wells ^(b)		364	314	214	50	15.9
Average realizations						
Liquids ^(c)	(\$/bbl)	66.62	37.06	59.26	29.56	79.8
Natural gas	(\$/kcf)	6.64	3.76	4.94	2.88	76.6
Hydrocarbons	(\$/boe)	51.49	28.92	43.54	22.57	78.0

(a) Excluding special items.

(b) Also includes write-off of unproved exploration rights, if any, related to projects with negative outcome.

(c) Includes condensates.

(1) Other alternative performance indicators disclosed are accompanied by explanatory notes and tables in line with guidance provided by ESMA guidelines on alternative performance measures (ESMA/2015/1415), published on October 5, 2015. For further information, see the section "Alternative performance measures" of this Annual Report at subsequent pages.

In 2021, Exploration & Production reported an **adjusted operating profit** of €9,293 million, up by €7,746 million y-o-y, or 500% from 2020 which was affected by the pandemic. This recovery was driven by an ongoing recovery in the oil scenario. Against this backdrop, Eni's realized prices of liquids increased by 80%, whereas natural gas realized prices increased by 77% compared to 2020.

These effects were partly offset by lower production volumes.

Adjusted operating profit excluded **special gains** of €773 million.

Adjusted net profit of €5,543 million reported a substantial increase compared to net profit of €124 million of 2020, benefitting from a reduction in the tax rate due to recovery in

the upstream scenario and a more favorable geographic mix of profits (in terms of a reducing share of taxable income in Countries with a higher tax rate), as well as to the fact that the 2020 reporting period was affected by a number of drivers leading to tax dis-optimizations.

In 2021, Eni's gas realizations for the full year increased on average by 77% in dollar terms, driven by a recovery in trading environment. Those were reduced on average by 0.1 \$/kcf due to the impact of hedges activated in the final months of 2021 on the sale of about 12 bcf. These transactions were part of an hedging program relating to the sale of 157 bcf out of the Company's natural gas proved reserves in the period December 2021 to December 2022.

The following table reports the impact of cash flow hedge derivatives as described above:

	2021
Natural gas	(billion cubic feet)
Sale volumes	1,446
Sale volumes hedged by derivatives (cash flow hedge)	12
Total price excluding derivatives	(\$/kcf) 6.71
Realized gains (losses) on derivatives	(0.07)
Total average price	6.64

GLOBAL GAS & LNG PORTFOLIO

	(€ million)	2021	2020	2019	Change	% Ch.
Operating profit (loss)		899	(332)	431	1,231	..
Exclusion of special items:		(319)	658	(238)		
- impairment losses (impairment reversals), net		26	2	(5)		
- provision for redundancy incentives		5	2	1		
- commodity derivatives		(207)	858	(576)		
- exchange rate differences and derivatives		206	(183)	109		
- other		(349)	(21)	233		
Adjusted operating profit (loss)		580	326	193	254	77.9
Net finance (expense) income ^(a)		(17)		3	(17)	
Net income (expense) from investments ^(a)			(15)	(21)	15	
Income taxes ^(a)		(394)	(100)	(75)	(294)	
Adjusted net profit (loss)		169	211	100	(42)	(19.9)

(a) Excluding special items.

In 2021, the Global Gas & LNG Portfolio segment reported an **adjusted operating profit** of €580 million, a robust growth compared to 2020 (up by €254 million, or 78%). The positive performance leveraged on the continuous initiatives of portfolio optimization and renegotiations as well as higher gas volumes sold. These positives were partially offset by higher provisions due to an increased nominal value of trade receivables, and a higher counterparty risks due to the financial difficulties of

industrial accounts pressured by rising energy costs, as well as provisions for contractual claims.

Adjusted operating profit excluded **special gains** of €319 million.

Adjusted net profit was €169 million (net profit of €211 million in 2020).

REFINING & MARKETING AND CHEMICALS

	(€ million)	2021	2020	2019	Change	% Ch.
Operating profit (loss)		45	(2,463)	(682)	2,508	..
Exclusion of inventory holding (gains) losses		(1,455)	1,290	(318)		
Exclusion of special items:		1,562	1,179	1,021		
- environmental charges		150	85	244		
- impairment losses (impairment reversals), net		1,342	1,271	922		
- net gains on disposal of assets		(22)	(8)	(5)		
- risk provisions		(4)	5	(2)		
- provision for redundancy incentives		42	27	8		
- commodity derivatives		50	(185)	(118)		
- exchange rate differences and derivatives		(14)	10	(5)		
- other		18	(26)	(23)		
Adjusted operating profit (loss)		152	6	21	146	..
- Refining & Marketing		(46)	235	289	(281)	..
- Chemicals		198	(229)	(268)	427	..
Net finance (expense) income ^(a)		(32)	(7)	(36)	(25)	
Net income (expense) from investments ^(a)		(4)	(161)	37	157	
of which: ADNOC Refining		(76)	(167)	23		
Income taxes ^(a)		(54)	(84)	(64)	30	
Adjusted net profit (loss)		62	(246)	(42)	308	..

(a) Excluding special items.

The **Refining & Marketing** business reported an **adjusted operating loss** of €46 million, compared to an operating profit of €235 million in 2020, due to the sharply decline of refining margins, the worst of the last ten years and higher expenses for the purchase of emission allowances. These negatives were partly offset by plant optimizations and higher volumes sold by the marketing business benefitting from the recovery in products demand, the reopening of the economy and increased people mobility.

In 2021, the **Chemical business** reported an **adjusted operating profit** of €198 million, a sharp improvement compared with a loss of €229 million in 2020, due to a global economic recovery

that supported demands and margins of plastic commodities softening competitive pressure, higher plant availability as well as certain contingent issues reducing imports from non-EU countries leading product shortages in the area, enabling the business to capture market opportunities.

Adjusted operating profit of the **R&M and Chemicals** segment of €152 million, excluded **special items** of €1,562 million and inventory holding gains of €1,455 million.

On a net basis, the positive result of €62 million reported in 2021, compared to a loss of €246 million in 2020, due to the better performance of the Chemical business.

PLENITUDE & POWER

	(€ million)	2021	2020	2019	Change	% Ch.
Operating profit (loss)		2,355	660	74	1,695	..
Exclusion of special items:		(1,879)	(195)	296		
- environmental charges			1			
- impairment losses (impairment reversals), net		20	1	42		
- net gains on disposal of assets		(2)				
- risk provisions			10			
- provision for redundancy incentives		(5)	20	3		
- commodity derivatives		(1,982)	(233)	255		
- exchange rate differences and derivatives		(6)		(10)		
- other		96	6	6		
Adjusted operating profit (loss)		476	465	370	11	2.4
- Plenitude		363	304	256	59	19.4
- Power		113	161	114	(48)	(29.8)
Net finance (expense) income ^(a)		(2)	(1)	(1)	(1)	
Net income (expense) from investments ^(a)		(3)	6	10	(9)	
Income taxes ^(a)		(144)	(141)	(104)	(3)	
Adjusted net profit (loss)		327	329	275	(2)	(0.6)

(a) Excluding special items.

In 2021, **Plenitude** reported solid and growing performances with an adjusted operating profit of €363 million, an increase of €59 million (up by 19% compared to 2020), leveraging on gains in the extra-commodity business, as well as benefits from the integration of the distributed photovoltaic business (Evolvere), marketing initiatives in Italy, the growth in customer base following expansion in Greece, the acquisition of Aldro Energía in Spain, and lower than expected credit losses, following an improved economic cycle.

The **Power** business reported an adjusted operating profit of €113 million (down by €48 million vs. 2020, or 30%), mainly due to lower one-off items.

The **Plenitude & Power** segment reported an **adjusted operating profit** of €476 million, which includes a negative adjustment for special item of €1,879 million.

The **Plenitude & Power** segment reported an **adjusted net profit** of €327 million, substantially unchanged from the 2020 result (adjusted net profit of €329 million).

CORPORATE AND OTHER ACTIVITIES

	(€ million)	2021	2020	2019	Change	% Ch.
Operating profit (loss)		(816)	(563)	(688)	(253)	(44.9)
Exclusion of special items:		223	56	86		
- environmental charges		61	(130)	62		
- impairment losses (impairment reversals), net		23	21	12		
- net gains on disposal of assets		1	(2)	(1)		
- risk provisions		33	20	23		
- provision for redundancy incentives		91	40	10		
- other		14	107	(20)		
Adjusted operating profit (loss)		(593)	(507)	(602)	(86)	(17.0)
Net finance (expense) income ^(a)		(539)	(569)	(525)	30	
Net income (expense) from investments ^(a)		(691)	(95)	43	(596)	
Income taxes ^(a)		247	(34)	218	281	
Adjusted net profit (loss)		(1,576)	(1,205)	(866)	(371)	(30.8)

(a) Excluding special items.

The results of Corporate and other activities mainly include costs of Eni's headquarters net of services charged to operational companies for the provision of general purposes services, administration, finance, information technology, human resources management, legal affairs, international

affairs, as well as operational costs of decommissioning activities pertaining to certain businesses which Eni exited, divested or shut down in past years, net of the margins of captive subsidiaries providing specialized services to the business (insurance, financial, recruitment).

SUMMARIZED GROUP BALANCE SHEET

The summarized Group balance sheet aggregates the amount of assets and liabilities derived from the statutory balance sheet in accordance with functional criteria which considers the enterprise conventionally divided into the three fundamental areas focusing on resource investments, operations and financing. Management believes that this summarized group balance sheet is useful information in

assisting investors to assess Eni's capital structure and to analyse its sources of funds and investments in fixed assets and working capital. Management uses the summarized group balance sheet to calculate key ratios such as the return on invested capital (adjusted ROACE) and the financial soundness/equilibrium (gearing and leverage).

SUMMARIZED GROUP BALANCE SHEET^(a)

	(€ million)	December 31, 2021	December 31, 2020	Change
Fixed assets				
Property, plant and equipment		56,299	53,943	2,356
Right of use		4,821	4,643	178
Intangible assets		4,799	2,936	1,863
Inventories - Compulsory stock		1,053	995	58
Equity-accounted investments and other investments		7,181	7,706	(525)
Receivables and securities held for operating purposes		1,902	1,037	865
Net payables related to capital expenditure		(1,804)	(1,361)	(443)
		74,251	69,899	4,352
Net working capital				
Inventories		6,072	3,893	2,179
Trade receivables		15,524	7,087	8,437
Trade payables		(16,795)	(8,679)	(8,116)
Net tax assets (liabilities)		(3,678)	(2,198)	(1,480)
Provisions		(13,593)	(13,438)	(155)
Other current assets and liabilities		(2,258)	(1,328)	(930)
		(14,728)	(14,663)	(65)
Provisions for employee benefits		(819)	(1,201)	382
Assets held for sale including related liabilities		139	44	95
CAPITAL EMPLOYED, NET		58,843	54,079	4,764
Eni shareholders' equity		44,437	37,415	7,022
Non-controlling interest		82	78	4
Shareholders' equity		44,519	37,493	7,026
Net borrowings before lease liabilities ex IFRS 16		8,987	11,568	(2,581)
Lease liabilities		5,337	5,018	319
- of which Eni working interest		3,653	3,366	287
- of which Joint operators' working interest		1,684	1,652	32
Net borrowings post lease liabilities ex IFRS 16		14,324	16,586	(2,262)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		58,843	54,079	4,764
Leverage		0.32	0.44	
Gearing		0.24	0.31	

(a) For a reconciliation to the statutory statement of cash flow see the paragraph "Reconciliation of Summarized Group Balance Sheet and Statement of Cash Flows to Statutory Schemes".

As of December 31, 2021, **fixed assets** of €74,251 million increased by €4,352 million from December 31, 2020: capital expenditures and acquisitions during the year and the positive impact of exchange rate differences were partly offset by DD&A (the period-end exchange rate of EUR vs. USD was 1.133, down 7.7% compared to 1.227 at December 31, 2020).

Net working capital (-€14,728 million) was substantially unchanged compared to December 31, 2020: the increased value of oil and product inventories due to the weighted-average cost method of accounting in an environment of rising prices were partly offset by the recognition of income taxes for the year of €1,480 million and by the increase of the other current assets and liabilities (€930 million).

COMPREHENSIVE INCOME

	(€ million)	2021	2020
Net profit (loss)		5,840	(8,628)
Items that are not reclassified to profit or loss		149	33
Remeasurements of defined benefit plans		119	(16)
Change of minor investments at fair value with effects to other comprehensive income		105	24
Share of "Other comprehensive income" on equity-accounted investments		2	
Tax effect		(77)	25
Items that may be reclassified to profit or loss		1,902	(2,813)
Currency translation differences		2,828	(3,314)
Change in the fair value of cash flow hedging derivatives		(1,264)	661
Share of "Other comprehensive income" on equity-accounted investments		(34)	32
Tax effect		372	(192)
Total other items of comprehensive income (loss)		2,051	(2,780)
Total comprehensive income (loss)		7,891	(11,408)
attributable to:			
- Eni's shareholders		7,872	(11,415)
- Non-controlling interest		19	7

CHANGES IN SHAREHOLDERS' EQUITY

	(€ million)	
Shareholders' equity at January 1st, 2020		47,900
Total comprehensive income (loss)	(11,408)	
Dividends distributed to Eni's shareholders	(1,965)	
Dividends distributed by consolidated subsidiaries	(3)	
Net issue of perpetual subordinated bonds	2,975	
Other changes	(6)	
Total changes		(10,407)
Shareholders' equity at December 31, 2020		37,493
attributable to:		
- Eni's shareholders		37,415
- Non-controlling interest		78
Shareholders' equity at January 1st, 2021		37,493
Total comprehensive income (loss)	7,891	
Dividends distributed to Eni's shareholders	(2,390)	
Dividends distributed by consolidated subsidiaries	(5)	
Payments on perpetual subordinated bonds	2,000	
Coupon of perpetual subordinated bonds	(61)	
Costs for the issue of perpetual subordinated bonds	(15)	
Buy-back program	(400)	
Other changes	6	
Total changes		7,026
Shareholders' equity at December 31, 2021		44,519
attributable to:		
- Eni's shareholders		44,437
- Non-controlling interest		82

Shareholders' equity (€44,519 million) increased by €7,026 million compared to December 31, 2020 due to the net profit for the period (€5,840 million), the issuance in May 2021 of hybrid bonds for €2 billion and positive foreign currency translation differences (+€2,828 million) reflecting the appreciation of the US dollar vs. the euro as of December

31, 2021 vs. December 31, 2020, partly offset by the distribution of dividends to Eni shareholders (balance of the 2020 dividend of €857 million and the 2021 interim dividend of €1,533 million), the buy-back (€400 million) as well as a negative change in the cash flow hedge reserve of -€1,264 million reflecting trends in gas prices.

LEVERAGE AND NET BORROWINGS

Leverage is a measure used by management to assess the Company's level of indebtedness. It is calculated as a ratio of net borrowings which is calculated by excluding cash and cash equivalents and certain very liquid assets from financial debt to shareholders' equity, including non-

controlling interest. Management periodically reviews leverage in order to assess the soundness and efficiency of the Group balance sheet in terms of optimal mix between net borrowings and net equity, and to carry out benchmark analysis with industry standards.

	(€ million)	December 31, 2021	December 31, 2020	Change
Total finance debt		27,794	26,686	1,108
- Short-term debt		4,080	4,791	(711)
- Long-term debt		23,714	21,895	1,819
Cash and cash equivalents		(8,254)	(9,413)	1,159
Securities held for trading		(6,301)	(5,502)	(799)
Financing receivables held for non-operating purposes		(4,252)	(203)	(4,049)
Net borrowings before lease liabilities ex IFRS 16		8,987	11,568	(2,581)
Lease Liabilities		5,337	5,018	319
- of which Eni working interest		3,653	3,366	287
- of which Joint operators' working interest		1,684	1,652	32
Net borrowings post lease liabilities ex IFRS 16		14,324	16,586	(2,262)
Shareholders' equity including non-controlling interest		44,519	37,493	7,026
Leverage before lease liability ex IFRS 16		0.20	0.31	0.11
Leverage after lease liability ex IFRS 16		0.32	0.44	0.12

As of December 31, 2021, net borrowings were €14,324 million decreasing by €2,262 million from 2020.

Total finance debt of €27,794 million consisted of €4,080 million of short-term debt (including the portion of long-term debt due within twelve months of €1,781 million) and €23,714 million of long-term debt.

The increase in **financing receivables held for non-operating purposes** was due to the material increase in commodity prices and in commodity derivatives exposure which triggered requests from financial counterparts and commodity exchanges to adjust the financial deposits to

secure the derivatives transactions (margin calls). Those deposit will be reimbursed to the Company upon settlement of the underlying transactions.

When excluding the lease liabilities, net borrowings were re-determined at €8,987 million reducing by €2,581 million from 2020.

Leverage² – the ratio of the borrowings to total equity – was 0.32 at December 31, 2021. The impact of the lease liability pertaining to joint operators in Eni-led upstream unincorporated joint ventures weighted on leverage for 4 points. Excluding the impact of IFRS 16 altogether, leverage would be 0.20.

SUMMARIZED GROUP CASH FLOW STATEMENT

Eni's Summarized Group Cash Flow Statement derives from the statutory statement of cash flows. It enables investors to understand the connection existing between changes in cash and cash equivalents (deriving from the statutory cash flows statement) and in net borrowings (deriving from the summarized cash flow statement) that occurred in the reporting period. The measure which links the two statements is represented by the "free cash flow" which is calculated as difference between the cash flow generated from operations and the net cash used in investing activities. Starting from free cash flow it is possible to

determine either: (i) changes in cash and cash equivalents for the period by adding/deducting cash flows relating to financing debts/receivables (issuance/repayment of debt and receivables related to financing activities), shareholders' equity (dividends paid, net repurchase of own shares, capital issuance) and the effect of changes in consolidation and of exchange rate differences; and (ii) change in net borrowings for the period by adding/deducting cash flows relating to shareholders' equity and the effect of changes in consolidation and of exchange rate differences.

(2) Other alternative performance indicators disclosed are accompanied by explanatory notes and tables in line with guidance provided by ESMA guidelines on alternative performance measures (ESMA/2015/1415), published on October 5, 2015. For further information, see the section "Alternative performance measures" of this Annual Report at subsequent pages.

SUMMARIZED GROUP CASH FLOW STATEMENT^(a)

	(€ million)	2021	2020	2019	Change
Net profit (loss)		5,840	(8,628)	155	14,468
<i>Adjustments to reconcile net profit (loss) to net cash provided by operating activities:</i>					
- depreciation, depletion and amortization and other non monetary items		8,568	12,641	10,480	(4,073)
- net gains on disposal of assets		(102)	(9)	(170)	(93)
- dividends, interests, taxes and other changes		5,334	3,251	6,224	2,083
Changes in working capital related to operations		(3,146)	(18)	366	(3,128)
Dividends received by investments		857	509	1,346	348
Taxes paid		(3,726)	(2,049)	(5,068)	(1,677)
Interests (paid) received		(764)	(875)	(941)	111
Net cash provided by operating activities		12,861	4,822	12,392	8,039
Capital expenditure		(5,234)	(4,644)	(8,376)	(590)
Investments and purchase of consolidated subsidiaries and businesses		(2,738)	(392)	(3,008)	(2,346)
Disposals of consolidated subsidiaries, businesses, tangible and intangible assets and investments		404	28	504	376
Other cash flow related to investing activities		289	(735)	(254)	1,024
Free cash flow		5,582	(921)	1,258	6,503
Net cash inflow (outflow) related to financial activities		(4,743)	1,156	(279)	(5,899)
Changes in short and long-term financial debt		(244)	3,115	(1,540)	(3,359)
Repayment of lease liabilities		(939)	(869)	(877)	(70)
Dividends paid and changes in non-controlling interests and reserves		(2,780)	(1,968)	(3,424)	(812)
Net issue (repayment) of perpetual hybrid bond		1,924	2,975		(1,051)
Effect of changes in consolidation and exchange differences of cash and cash equivalent		52	(69)	1	121
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT		(1,148)	3,419	(4,861)	(4,567)
Adjusted net cash before changes in working capital at replacement cost		12,711	6,726	11,700	5,985

Change in net borrowings

	(€ million)	2021	2020	2019	Var. ass.
Free cash flow		5,582	(921)	1,258	6,503
Repayment of lease liabilities		(939)	(869)	(877)	(70)
Net borrowings of acquired companies		(777)	(67)		(710)
Net borrowings of divested companies				13	
Exchange differences on net borrowings and other changes		(429)	759	(158)	(1,188)
Dividends paid and changes in non-controlling interest and reserves		(2,780)	(1,968)	(3,424)	(812)
Net issue (repayment) of perpetual hybrid bond		1,924	2,975		(1,051)
CHANGE IN NET BORROWINGS BEFORE LEASE LIABILITIES		2,581	(91)	(3,188)	2,672
IFRS 16 first application effect				(5,759)	
Repayment of lease liabilities		939	869	877	
Inception of new leases and other changes		(1,258)	(239)	(766)	
Change in lease liabilities		(319)	630	(5,648)	
CHANGE IN NET BORROWINGS AFTER LEASE LIABILITIES		2,262	539	(8,836)	

(a) For a reconciliation to the statutory statement of cash flow see the paragraph "Reconciliation of Summarized Group Balance Sheet and Statement of Cash Flows to Statutory Schemes".

Net cash provided by operating activities for the full year of 2021 was €12,861 million, an increase of €8,039 million compared to the full year of 2020, driven by a better scenario in the upstream segment.

The cash flow benefitted from trade receivables (about €2 billion) due in subsequent reporting periods divested to financing institutions, up by approximately €0.7 billion

compared to the fourth quarter 2020.

The outflow related to the working capital of €3,146 million was due to the change in the value of inventory holding, the use of advances received by Egyptian state-owned companies for financing the Zohr project, which were netted against invoices for gas supplies and the adjustment of the derivatives fair value.

The dividends received by equity investments mainly related to Vår Energi.

Cash flow from operations before changes in working capital at replacement cost was €12,711 million. This non-GAAP measure includes net cash provided by operating activities before changes in working capital excluding inventory holding gains or losses relating to oil and products and provisions for extraordinary credit losses and other charges, as well as the fair value of commodity derivatives lacking the formal criteria to be designated as hedges.

Net financial borrowings before IFRS16 decreased by €2,581 million mainly due to issuances of hybrid bonds for €2,000

million and the free cash flow provided by operating activities (€5,582 million), partly offset by the payment of dividends to Eni's shareholders of approximately €2,358 million (the 2020 balance dividend of €0.24 per share for a total amount of approximately €854 million and the 2021 interim dividend of €0.43 per share for a total amount of €1,504 million), the €400 million buy-back program, the payment of lease liabilities for €939 million and the consolidation of debt of acquired subsidiaries (€777 million).

A reconciliation of **cash flow from operations before changes in working capital at replacement cost** to net cash provided by operating activities for the full year of 2021, 2020 and 2019 is provided below:

	(€ million)	2021	2020	2019	Change
Net cash provided by operating activities		12,861	4,822	12,392	8,039
Changes in working capital related to operations		3,146	18	(366)	3,128
Exclusion of commodity derivatives		(2,139)	440	(439)	(2,579)
Exclusion of inventory holding (gains) losses		(1,491)	1,318	(223)	(2,809)
Provisions for extraordinary credit losses and other charges		334	128	336	206
Adjusted net cash before changes in working capital at replacement cost		12,711	6,726	11,700	5,985

CAPITAL EXPENDITURE AND INVESTMENTS

	(€ million)	2021	2020	2019	Var. ass.	Var. %
Exploration & Production ^(a)		3,940	3,472	6,996	468	13.5
- acquisition of proved and unproved properties		17	57	400	(40)	(70.2)
- exploration		391	283	586	108	38.2
- oil and gas development		3,443	3,077	5,931	366	11.9
- CCUS and agro-biofeedstock projects		37			37	..
- other expenditure		52	55	79	(3)	(5.5)
Global Gas & LNG Portfolio		19	11	15	8	72.7
Refining & Marketing and Chemicals		728	771	933	(43)	(5.6)
- Refining & Marketing		538	588	815	(50)	(8.5)
- Chemicals		190	183	118	7	3.8
Plenitude & Power		443	293	357	150	51.2
- Plenitude		366	241	315	125	51.9
- Power		77	52	42	25	48.1
Corporate and other activities		187	107	89	80	74.8
Impact of unrealized intragroup profit elimination		(4)	(10)	(14)	6	
Capital expenditure^(a)		5,313	4,644	8,376	669	14.4
Investments and purchase of consolidated subsidiaries and businesses		2,738	392	3,008	2,346	..
Total capex and investments and purchase of consolidated subsidiaries and businesses		8,051	5,036	11,384	3,015	59.9

(a) Includes reverse factoring operations in 2021.

Cash outflows for capital expenditure and investments

were €8,051 million, increasing by 60% from 2020 and include the consideration relating the following acquisitions:

(i) Be Power, a company engaged in the installation and management of a network of charging stations for electric vehicles for which half of the price will be paid in 2022; (ii) a 20% stake in the Dogger Bank A/B offshore wind project in the North Sea; (iii) the 100% stake in Aldro Energía in the retail gas business; (iv) the 100% stake in Fri-El Biogas Holding engaged in the bioenergy business in Italy; (v) the management control of Finproject by exercising the purchase option on the remaining 60% share of the share capital, following the initial investment of the 40% interest in 2020; and (vi) a portfolio of renewables assets operational/under construction in Italy (wind power assets) and in Spain, France and the United States (including wind and photovoltaic assets).

Net of the above-mentioned non-organic items and of utilization of trade advances cashed by Egyptian partners

in previous reporting periods in relation to the financing of the Zohr project (approximately €500 million), net capital expenditures amounted to €5.8 billion. Net capex were fully funded by the adjusted cash flow.

In 2021, **capital expenditure** amounted to €5,313 million (€4,644 million in the full year of 2020) mainly related to:

- ▶ Oil & Gas development activities (€3,443 million) mainly in Egypt, Angola, the United States, Mexico, the United Arab Emirates, Italy, Indonesia and Iraq;
- ▶ refining activity in Italy and outside Italy (€390 million) mainly relating to the activities to maintain plants' integrity and stay-in-business, as well as HSE initiatives; marketing activity (€148 million) for regulation compliance and stay-in-business initiatives in the retail network in Italy and in the rest of Europe;
- ▶ initiatives relating to gas and power marketing in the retail business and renewables activities (€366 million).

Non-GAAP measures (Alternative performance measures)

Management evaluates underlying business performance on the basis of Non-GAAP financial measures, which are not provided by IFRS ("Alternative performance measures"), such as adjusted operating profit, adjusted net profit, which are arrived at by excluding from reported results certain gains and losses, defined special items, which include, among others, asset impairments, including impairments of deferred tax assets, gains on disposals, risk provisions, restructuring charges, the accounting effect of fair-valued derivatives used to hedge exposure to the commodity, exchange rate and interest rate risks, which lack the formal criteria to be accounted as hedges, and analogously evaluation effects of assets and liabilities utilized in a relation of natural hedge of the above mentioned market risks. Furthermore, in determining the business segments' adjusted results, finance charges on finance debt and interest income are excluded (see below). In determining adjusted results, inventory holding gains or losses are excluded from base business performance, which is the difference between the cost of sales of the volumes sold in the period based on the cost of supplies of the same period and the cost of sales of the volumes sold calculated using the weighted average cost method of inventory accounting as required by IFRS, except in those business segments where inventories are utilized as a lever to optimize margins.

Finally, the same special charges/gains are excluded from the Eni's share of results at JVs and other equity accounted entities, including any profit/loss on inventory holding.

Management is disclosing Non-GAAP measures of performance to facilitate a comparison of base business performance across periods, and to allow financial analysts to evaluate Eni's trading performance on the basis of their forecasting models.

Non-GAAP financial measures should be read together with information determined by applying IFRS and do not stand in for them. Other companies may adopt different methodologies to determine Non-GAAP measures. Follows the description of the main alternative performance measures adopted by Eni. The measures reported below refer to the performance of the reporting periods disclosed in this press report.

Adjusted operating and net profit

Adjusted operating profit and adjusted net profit are determined by excluding inventory holding gains or losses, special items and, in determining the business segments' adjusted results, finance charges on finance debt and interest income. The adjusted operating profit of each business segment reports gains and losses on derivative financial instruments entered into to manage exposure to movements in foreign currency exchange rates, which impact industrial margins and translation of commercial payables and receivables. Accordingly, also currency translation effects recorded through profit and loss are reported within business segments' adjusted operating

profit. The taxation effect of the items excluded from adjusted operating or net profit is determined based on the specific rate of taxes applicable to each of them.

Finance charges or income related to net borrowings excluded from the adjusted net profit of business segments are comprised of interest charges on finance debt and interest income earned on cash and cash equivalents not related to operations. Therefore, the adjusted net profit of business segments includes finance charges or income deriving from certain segment operated assets, i.e., interest income on certain receivable financing and securities related to operations and finance charge pertaining to the accretion of certain provisions recorded on a discounted basis (as in the case of the asset retirement obligations in the Exploration & Production segment).

Inventory holding gain or loss

This is the difference between the cost of sales of the volumes sold in the period based on the cost of supplies of the same period and the cost of sales of the volumes sold calculated using the weighted average cost method of inventory accounting as required by IFRS.

Special items

These include certain significant income or charges pertaining to either: (i) infrequent or unusual events and transactions, being identified as non-recurring items under such circumstances; (ii) certain events or transactions which are not considered to be representative of the ordinary course of business, as in the case of environmental provisions, restructuring charges, asset impairments or write ups and gains or losses on divestments even though they occurred in past periods or are likely to occur in future ones. Exchange rate differences and derivatives relating to industrial activities and commercial payables and receivables, particularly exchange rate derivatives to manage commodity pricing formulas which are quoted in a currency other than the functional currency are reclassified in operating profit with a corresponding adjustment to net finance charges, notwithstanding the handling of foreign currency exchange risks is made centrally by netting off naturally-occurring opposite positions and then dealing with any residual risk exposure in the derivative market. Finally, special items include the accounting effects of fair-valued commodity derivatives relating to commercial exposures, in addition to those which lack the criteria to be designed as hedges, also those which are not eligible for the own use exemption, including the ineffective portion of cash flow hedges, as well as the accounting effects of commodity and exchange rates derivatives whenever it is deemed that the underlying transaction is expected to occur in future reporting periods. As provided for in Decision No. 15519 of July 27, 2006 of the Italian market regulator (CONSOB), non-recurring material income or charges are to be clearly reported in the management's discussion and financial tables.

Leverage

Leverage is a Non-GAAP measure of the Company's financial condition, calculated as the ratio between net borrowings and shareholders' equity, including non-controlling interest. Leverage is the reference ratio to assess the solidity and efficiency of the Group balance sheet in terms of incidence of funding sources including third-party funding and equity as well as to carry out benchmark analysis with industry standards.

Gearing

Gearing is calculated as the ratio between net borrowings and capital employed net and measures how much of capital employed net is financed recurring to third-party funding.

Net cash provided by operating activities before changes in working capital at replacement cost

Net cash provided from operating activities before changes in working capital and excluding inventory holding gain or loss.

Free cash flow

Free cash flow represents the link existing between changes in cash and cash equivalents (deriving from the statutory cash flows statement) and in net borrowings (deriving from the summarized cash flow statement) that occurred from the beginning of the period to the end of period. Free cash flow is the cash in excess of capital expenditure needs. Starting from free cash flow it is possible to determine either: (i) changes in cash and cash equivalents for the period by adding/deducting cash flows relating to financing debts/ receivables (issuance/repayment of debt and receivables related to financing activities), shareholders' equity (dividends paid, net repurchase of own shares, capital issuance) and the effect of changes in consolidation and of exchange rate differences; (ii) changes in net borrowings for the period by adding/deducting cash flows relating to shareholders' equity and the effect of changes in consolidation and of exchange rate differences.

Net borrowings

Net borrowings is calculated as total finance debt less cash, cash equivalents and certain very liquid investments not related to operations, including among others non-operating financing receivables and securities not related to operations. Financial activities are qualified as "not related to operations" when these are not strictly related to the business operations.

ROACE Adjusted

Is the return on average capital invested, calculated as the ratio between net income before minority interests, plus net financial charges on net financial debt, less the related tax effect and net average capital employed.

Coverage

Financial discipline ratio, calculated as the ratio between operating profit and net finance charges.

Current ratio

Measures the capability of the company to repay short-term debt, calculated as the ratio between current assets and current liabilities.

Debt coverage

Rating companies use the debt coverage ratio to evaluate debt sustainability. It is calculated as the ratio between net cash provided by operating activities and net borrowings, less cash and cash-equivalents, securities held for non-operating purposes and financing receivables for non-operating purposes.

EBITDA

Earnings Before Interest, Taxes, Depreciation and Amortization, equal to operating profit plus amortization, depreciation and impairments..

Net Debt/EBITDA adjusted

Net Debt/adjusted EBITDA is the ratio between the profit available to cover the debt before interest, taxes, amortizations and impairment. This index is a measure of the company's ability pay off its debt and gives an indication as to how long a company would need to operate at its current level to pay off all its debt.

Profit per boe

Measures the return per oil and natural gas barrel produced. It is calculated as the ratio between Results of operations from E&P activities (as defined by FASB Extractive Activities - Oil and Gas Topic 932) and production sold.

Opex per boe

Measures efficiency in the Oil & Gas development activities, calculated as the ratio between operating costs (as defined by FASB Extractive Activities - Oil and Gas Topic 932) and production sold.

Finding & Development cost per boe

Represents Finding & Development cost per boe of new proved or possible reserves. It is calculated as the overall amount of exploration and development expenditure, the consideration for the acquisition of possible and probable reserves as well as additions of proved reserves deriving from improved recovery, extensions, discoveries and revisions of previous estimates (as defined by FASB Extractive Activities - Oil and Gas Topic 932).

The following tables report the group operating profit and Group adjusted net profit and their breakdown by segment, as well as is represented the reconciliation with net profit attributable to Eni's shareholders of continuing operations.

RECONCILIATION TABLES OF NON-GAAP RESULTS TO THE MOST COMPARABLE MEASURES OF FINANCIAL PERFORMANCE DETERMINED IN ACCORDANCE TO GAAPs

2021	(€ million)	Exploration & Production	Global Gas & LNG Portfolio	Refining & Marketing and Chemicals	Plenitude & Power	Corporate and other activities	Impact of unrealized profit elimination	Group
Reported operating profit (loss)		10,066	899	45	2,355	(816)	(208)	12,341
Exclusion of inventory holding (gains) losses				(1,455)			(36)	(1,491)
Exclusion of special items:								
- environmental charges		60		150		61		271
- impairment losses (impairments reversal), net		(1,244)	26	1,342	20	23		167
- impairment of exploration projects		247						247
- net gains on disposal of assets		(77)		(22)	(2)	1		(100)
- risk provisions		113		(4)		33		142
- provision for redundancy incentives		60	5	42	(5)	91		193
- commodity derivatives			(207)	50	(1,982)			(2,139)
- exchange rate differences and derivatives		(3)	206	(14)	(6)			183
- other		71	(349)	18	96	14		(150)
Special items of operating profit (loss)		(773)	(319)	1,562	(1,879)	223		(1,186)
Adjusted operating profit (loss)		9,293	580	152	476	(593)	(244)	9,664
Net finance (expense) income ^(a)		(313)	(17)	(32)	(2)	(539)		(903)
Net income (expense) from investments ^(a)		681		(4)	(3)	(691)		(17)
Income taxes ^(a)		(4,118)	(394)	(54)	(144)	247	68	(4,395)
Tax rate (%)								50.3
Adjusted net profit (loss)		5,543	169	62	327	(1,576)	(176)	4,349
<i>of which attributable to:</i>								
- non-controlling interest								19
- Eni's shareholders								4,330
Reported net profit (loss) attributable to Eni's shareholders								5,821
Exclusion of inventory holding (gains) losses								(1,060)
Exclusion of special items								(431)
Adjusted net profit (loss) attributable to Eni's shareholders								4,330

(a) Excluding special items.

2020	(€ million)	Exploration & Production	Global Gas & LNG Portfolio	Refining & Marketing and Chemicals	Plenitude & Power	Corporate and other activities	Impact of unrealized profit elimination	Group
Reported operating profit (loss)		(610)	(332)	(2,463)	660	(563)	33	(3,275)
Exclusion of inventory holding (gains) losses				1,290			28	1,318
Exclusion of special items:								
- environmental charges		19		85	1	(130)		(25)
- impairment losses (impairments reversal), net		1,888	2	1,271	1	21		3,183
- net gains on disposal of assets		1		(8)		(2)		(9)
- risk provisions		114		5	10	20		149
- provision for redundancy incentives		34	2	27	20	40		123
- commodity derivatives			858	(185)	(233)			440
- exchange rate differences and derivatives		13	(183)	10				(160)
- other		88	(21)	(26)	6	107		154
Special items of operating profit (loss)		2,157	658	1,179	(195)	56		3,855
Adjusted operating profit (loss)		1,547	326	6	465	(507)	61	1,898
Net finance (expense) income ^(a)		(316)		(7)	(1)	(569)		(893)
Net income (expense) from investments ^(a)		262	(15)	(161)	6	(95)		(3)
Income taxes ^(a)		(1,369)	(100)	(84)	(141)	(34)	(25)	(1,753)
Tax rate (%)								175.0
Adjusted net profit (loss)		124	211	(246)	329	(1,205)	36	(751)
<i>of which attributable to:</i>								
- non-controlling interest								7
- Eni's shareholders								(758)
Reported net profit (loss) attributable to Eni's shareholders								(8,635)
Exclusion of inventory holding (gains) losses								937
Exclusion of special items								6,940
Adjusted net profit (loss) attributable to Eni's shareholders								(758)

(a) Excluding special items.

2019	(€ million)	Exploration & Production	Global Gas & LNG Portfolio	Refining & Marketing and Chemicals	Plentitude & Power	Corporate and other activities	Impact of unrealized profit elimination	Group
Reported operating profit (loss)		7,417	431	(682)	74	(688)	(120)	6,432
Exclusion of inventory holding (gains) losses				(318)			95	(223)
Exclusion of special items:								
- environmental charges		32		244		62		338
- impairment losses (impairments reversal), net		1,217	(5)	922	42	12		2,188
- net gains on disposal of assets		(145)		(5)		(1)		(151)
- risk provisions		(18)		(2)		23		3
- provision for redundancy incentives		23	1	8	3	10		45
- commodity derivatives			(576)	(118)	255			(439)
- exchange rate differences and derivatives		14	109	(5)	(10)			108
- other		100	233	(23)	6	(20)		296
Special items of operating profit (loss)		1,223	(238)	1,021	296	86		2,388
Adjusted operating profit (loss)		8,640	193	21	370	(602)	(25)	8,597
Net finance (expense) income ^(a)		(362)	3	(36)	(1)	(525)		(921)
Net income (expense) from investments ^(a)		312	(21)	37	10	43		381
Income taxes ^(a)		(5,154)	(75)	(64)	(104)	218	5	(5,174)
Tax rate (%)								64.2
Adjusted net profit (loss)		3,436	100	(42)	275	(866)	(20)	2,883
<i>of which attributable to:</i>								
- non-controlling interest								7
- Eni's shareholders								2,876
Reported net profit (loss) attributable to Eni's shareholders								148
Exclusion of inventory holding (gains) losses								(157)
Exclusion of special items								2,885
Adjusted net profit (loss) attributable to Eni's shareholders								2,876

(a) Excluding special items.

RECONCILIATION OF SUMMARIZED GROUP BALANCE SHEET AND STATEMENT OF CASH FLOWS TO STATUTORY SCHEMES

SUMMARIZED GROUP BALANCE SHEET

Items of Summarized Group Balance Sheet (where not expressly indicated, the item derives directly from the statutory scheme)	Notes to the Consolidated Financial Statement	December 31, 2021		December 31, 2020	
		Amounts from statutory scheme	Amounts of the summarized Group scheme	Amounts from statutory scheme	Amounts of the summarized Group scheme
	(€ million)				
Fixed assets					
Property, plant and equipment			56,299		53,943
Right of use			4,821		4,643
Intangible assets			4,799		2,936
Inventories - Compulsory stock			1,053		995
Equity-accounted investments and other investments			7,181		7,706
Receivables and securities held for operating activities	(see note 17)		1,902		1,037
Net payables related to capital expenditure, made up of:			(1,804)		(1,361)
- liabilities for current investment assets	(see note 11)	(16)			
- liabilities for no current investment assets	(see note 11)	(87)			
- receivables related to disposals	(see note 8)	8		21	
- receivables related to disposals non-current	(see note 11)	23		11	
- payables for purchase of non-current assets	(see note 18)	(1,732)		(1,393)	
Total fixed assets			74,251		69,899
Net working capital					
Inventories			6,072		3,893
Trade receivables	(see note 8)		15,524		7,087
Trade payables	(see note 18)		(16,795)		(8,679)
Net tax assets (liabilities), made up of:			(3,678)		(2,198)
- current income tax payables		(648)		(243)	
- non-current income tax payables		(374)		(360)	
- other current tax liabilities	(see note 11)	(1,435)		(1,124)	
- deferred tax liabilities		(4,835)		(5,524)	
- other non-current tax liabilities	(see note 11)	(27)		(26)	
- current income tax receivables		195		184	
- non-current income tax receivables		108		153	
- other current tax assets	(see note 11)	442		450	
- deferred tax assets		2,713		4,109	
- other non-current tax assets	(see note 11)	182		181	
- receivables for Italian consolidated accounts	(see note 8)	3		3	
- payables for Italian consolidated accounts	(see note 18)	(2)		(1)	
Provisions			(13,593)		(13,438)
Other current assets and liabilities, made up of:			(2,258)		(1,328)
- short-term financial receivables for operating purposes	(see note 17)	39		22	
- receivables vs. partners for exploration and production activities and other	(see note 8)	3,315		3,815	
- other current assets	(see note 11)	13,192		2,236	
- other receivables and other assets non-current	(see note 11)	824		1,061	
- advances, other payables, payables vs. partners for exploration and production activities and other	(see note 18)	(3,191)		(2,863)	
- other current liabilities	(see note 11)	(14,305)		(3,748)	
- other payables and other liabilities non-current	(see note 11)	(2,132)		(1,851)	
Total net working capital			(14,728)		(14,663)
Provisions for employee benefits			(819)		(1,201)
Assets held for sale including related liabilities			139		44
made up of:					
- assets held for sale		263		44	
- liabilities directly associated with held for sale		(124)			
CAPITAL EMPLOYED, NET			58,843		54,079
Shareholders' equity including non controlling interest			44,519		37,493
Net borrowings					
Total debt, made up of:			27,794		26,686
- long-term debt		23,714		21,895	
- current portion of long-term debt		1,781		1,909	
- short-term debt		2,299		2,882	
less:					
Cash and cash equivalents			(8,254)		(9,413)
Securities held for trading			(6,301)		(5,502)
Financing receivables held for non-operating purposes	(see note 17)		(4,252)		(203)
Net borrowings before lease liabilities ex IFRS 16			8,987		11,568
Lease liabilities, made up of:			5,337		5,018
- long-term lease liabilities		4,389		4,169	
- current portion of long-term lease liabilities		948		849	
Total net borrowings post lease liabilities ex IFRS 16^(a)			14,324		16,586
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			58,843		54,079

(a) For details on net borrowings see also note 20 to the consolidated financial statements.

SUMMARIZED GROUP CASH FLOW STATEMENT

Items of Summarized Cash Flow Statement and confluence/reclassification of items in the statutory scheme (€ million)	2021		2020	
	Amounts from statutory scheme	Amounts of the summarized Group scheme	Amounts from statutory scheme	Amounts of the summarized Group scheme
Net profit (loss)		5,840		(8,628)
Adjustments to reconcile net profit (loss) to net cash provided by operating activities:				
Depreciation, depletion and amortization and other non monetary items		8,568		12,641
- depreciation, depletion and amortization	7,063		7,304	
- impairment losses (impairment reversals) of tangible, intangible and right of use, net	167		3,183	
- write-off of tangible and intangible assets	387		329	
- share of profit (loss) of equity-accounted investments	1,091		1,733	
- other changes	(194)		92	
- net change in the provisions for employee benefits	54			
Gains on disposal of assets, net		(102)		(9)
Dividends, interests, income taxes and other changes		5,334		3,251
- dividend income	(230)		(150)	
- interest income	(75)		(126)	
- interest expense	794		877	
- income taxes	4,845		2,650	
Cash flow from changes in working capital		(3,146)		(18)
- inventories	(2,033)		1,054	
- trade receivables	(7,888)		1,316	
- trade payables	7,744		(1,614)	
- provisions for contingencies	(406)		(1,056)	
- other assets and liabilities	(563)		282	
Dividends received		857		509
Income taxes paid, net of tax receivables received		(3,726)		(2,049)
Interests (paid) received		(764)		(875)
- interest received	28		53	
- interest paid	(792)		(928)	
Net cash provided by operating activities		12,861		4,822
Investing activities		(5,234)		(4,644)
- tangible assets	(4,950)		(4,407)	
- intangible assets	(284)		(237)	
Investments and purchase of consolidated subsidiaries and businesses		(2,738)		(392)
- investments	(837)		(283)	
- consolidated subsidiaries and businesses net of cash and cash equivalent acquired	(1,901)		(109)	
Disposals		404		28
- tangible assets	207		12	
- intangible assets	1			
- consolidated subsidiaries and businesses net of cash and cash equivalent disposed of	76			
- tax on disposals	(35)			
- investments	155		16	
Other cash flow related to capital expenditure, investments and disposals		289		(735)
- prepaid right of use	(2)			
- investment of securities and financing receivables held for operating purposes	(227)		(166)	
- change in payables in relation to investing activities	386		(757)	
- disposal of securities and financing receivables held for operating purposes	141		136	
- change in receivables in relation to disposals	(9)		52	
Free cash flow		5,582		(921)
Free cash flow		5,582		(921)

continued SUMMARIZED GROUP CASH FLOW STATEMENT

Items of Summarized Cash Flow Statement and confluence/reclassification of items in the statutory scheme (€ million)	2021		2020	
	Amounts from statutory scheme	Amounts of the summarized Group scheme	Amounts from statutory scheme	Amounts of the summarized Group scheme
Net cash inflow (outflow) related to financial activities		(4,743)		1,156
- net change in securities and financing receivables held for non-operating purposes	(4,743)		1,156	
Changes in short and long-term finance debt		(244)		3,115
- increase in long-term debt	3,556		5,278	
- repayments of long-term debt	(2,890)		(3,100)	
- increase (decrease) in short-term debt	(910)		937	
Repayment of lease liabilities		(939)		(869)
Dividends paid and changes in non-controlling interest and reserves		(2,780)		(1,968)
- purchase of treasury shares	(400)			
- acquisition of additional interests in consolidated subsidiaries	(17)			
- dividends paid to Eni's shareholders	(2,358)		(1,965)	
- dividends paid to non-controlling interest	(5)		(3)	
Net issue (repayment) of perpetual hybrid bond		1,924		2,975
- issue of perpetual subordinated bonds	1,985		2,975	
- coupon payment on perpetual subordinated bonds	(61)			
Effect of changes in consolidation, exchange differences and cash and cash equivalent		52		(69)
- effect of exchange rate changes on cash and cash equivalents and other changes	52		(69)	
Net increase (decrease) in cash and cash equivalent		(1,148)		3,419