

Strategy

The war in Ukraine is forcing us to reconsider the world as we know it. It is a humanitarian tragedy and has created new threats to energy security which we must meet without abandoning our ambitions for a just transition. Our strategy has made us well prepared to address these challenges. Our immediate response to the current crisis has been to leverage our established alliances with producing countries to find replacement energy sources for Europe's energy needs. We can make available to the market more than 14 TCF of additional gas resources for the short to medium term. This complements our work to develop new decarbonised products and services which can help deliver both energy security and carbon reduction by providing to our customers a full set of decarbonized energy products and services. The result of this strategic approach underpins our decision to accelerate our pathway to net zero with a 35% cut to Scope 1+2+3 emissions by 2030, and 80% by 2040 compared to 2018. [...]

Claudio Descalzi, Eni CEO



Accelerated emissions reduction

- Net zero emissions by 2050, added new net absolute emission (Scope 1, 2 and 3) reduction targets vs. 2018:
-35% by 2030 ---> **80% by 2040**
- Net Carbon Footprint by 2035 (Scope 1 and 2):
40% by 2025 ---> **Net zero by 2035**
- Scope 1 and 2 GHG emissions Upstream:
-65% by 2025 (vs. 2018) ---> **Net zero emission by 2030**



New Energy Solutions

- ▲ **Plenitude**: green electricity for over **15 million customers** with more than **15 GW** of renewable capacity by 2030
- ▲ **Biorefining**: capacity growth up to 6 MTPA in the next decade
- ▲ **Hydrogen**: contribution in our plan for around 4 MTPA by 2050
- ▲ **Magnetic fusion**: the first commercial plant is expected in the next 10 years
- ▲ Increased the **share of investments** directed at new energy solutions to almost **30% by 2025, 60% by 2030**, and up to **80% by 2040**.



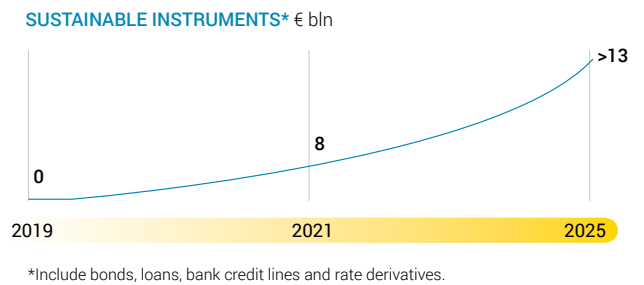
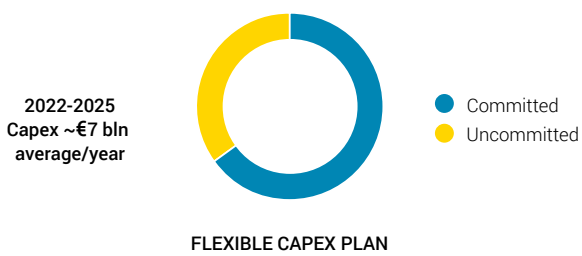
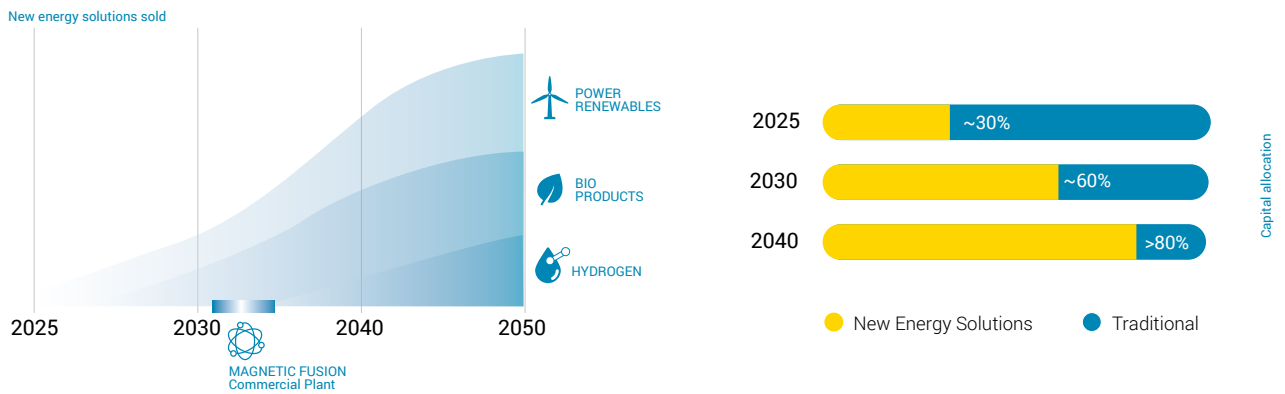
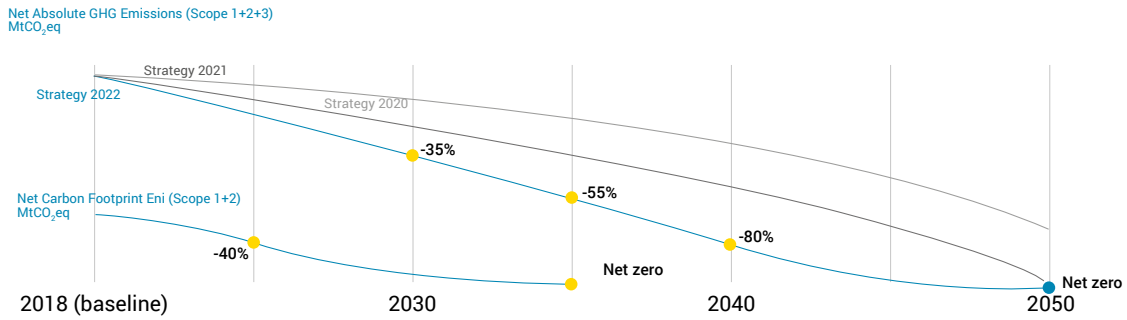
Disciplined financial plan

- Average yearly **capex**: around **€7 bln**; **2022 capex at around €7.7 bln**
- IRR of Upstream projects in execution: **21% @Eni Scenario**
- IRR of new renewable projects: **+200 bps** vs. **Plenitude WACC**
- Cash Flow From Operations: **€55 bln** along the 4-year plan period @ Eni scenario
- Sustainable Finance instruments: more than **€13 bln in 2025**



Value creation for shareholders

- Annual total dividend: **€0.88** per share, based on the Brent reference between **80-90 \$/bbl**
- Dividend payment: **four equal quarterly instalments** in September and November 2022, March and May 2023
- Share **buyback** program equal to **€1.1 bln** in 2022 at the Brent reference price
- In July and October 2022, for scenarios above **90 \$/bbl further buy-backs** equivalent to **30%** of the associated incremental free cash flow



VALUE CREATION FOR SHAREHOLDERS

2022 DISTRIBUTION

€0.88 dividend per share
 €1.1 bln buyback
 Brent reference price @ 80 \$/bbl

UPSIDE

Additional buyback 30%
 of incremental FCF for Brent above > 90 \$/bbl
 (New price assessment in July and October)

RESILIENCE

Simplified, enhanced dividend
 per share sliding scale
 vs. previous policy

DIVIDEND PAID ON A QUARTERLY BASIS STARTING 3Q 2022

Strategic Plan 2022-2025

Eni's strategy is defined in a scenario for the next four years characterized by a Brent price supported by current market dynamics, with a demand growth expected to recover pre-pandemic levels by 2022 and a limited supply from the production issues and financial discipline of the international oil companies.

In the long-term, the price of crude oil is expected to grow in line with inflation until 2035, then decline following the progression of the energy transition. This scenario is subject to continuous monitoring due to the unpredictable evolution of the crisis between Russia and Ukraine. Financial discipline and spending selectivity, cost control and margins expansion will allow Eni to further contain cash neutrality and generate significant operating cash surplus at Eni's conservative scenario Brent assumptions, which will be used to accelerate the growth of green businesses and keep solid asset ratios.

In the four-year period, Eni's management foresees an investment plan of €28 billion (on average about €7 billion/year) which will be implemented according to the parameters of financial and operational discipline of the Group, in compliance with minimum profitability thresholds, ensuring the consistency of emission profiles with long-term decarbonisation objectives and full coverage through flow of operating cash. The organic free cash flow and gains from the disposals, in particular Plenitude and Vår Energi IPOs on the stock exchange will allow to maintain a solid capital structure and to ensure competitive returns to shareholders.

Capital allocation processes provide a further step forward, coherently with the Paris targets with a 25% share of the capex plan, compared to a 20% share of the previous plan, aimed at strengthening the renewable generation capacity, growing circular economy of biofuels and green chemistry, to the "scaling up" of new energy solutions and services (CCS) and energy efficiency and decarbonization of legacy assets. These objectives will be achievable thanks to the two Business Groups able to implement distinct paths in synergy, aimed at the execution of Eni's net zero emission strategy by 2050: the Natural Resources Business Group committed to maximize value and decarbonize the O&G assets; the Energy Evolution Business Group aimed at developing new businesses in renewables and circular economy and implementing the industrial transformation of legacy assets.

Overall, the 2022-2025 plan projects a Group with robust fundamentals and growing profitability, thanks to the transformation strategy implemented in response to downturn that, on the one hand, increased the resilience of traditional businesses and their ability to generate cash, and, on the other hand, created the conditions for a phase of strong development of the transition business, based on the integration of technologies, on new business models and on the closer collaboration with stakeholders. The expected results in the next four years will make Eni's carbon neutrality strategy by 2050 more solid, thanks to the growing visibility of the intermediate targets and the steps closer.

EXPLORATION & PRODUCTION

Eni's upstream strategy, in compliance with the target of footprint carbon reduction, aims at the maximization of returns and cash generation, leveraging on the enhancement of an optimized asset portfolio, exclusively based on conventional assets, characterized by project modularity, accelerated time-to-market and limited exposure over the medium-term. The evolution of the production mix foresees the gas component at 60% in 2030 and over 90% after the 2040. Net Scope 1 and 2 emissions of upstream assets calculated on the basis of equity output are expected to zeroing in 2030, leveraging, in addition to energy efficiency, on Natural Climate Solutions that will ensure the compensation of residual emissions. Other driver for the achievement of the Group's decarbonization objectives are the projects for CO₂ capture and storage geological with a target of about 10 mmtons per year by 2030 (Eni's share).

The 2022-25 Plan provides for the growth of cash generation and the progressive reduction of the cash neutrality up to Brent levels of around \$25/bbl through:

- ▶ growth of production in the 2021-2025 period at a 3% average annual rate, thanks to the contribution of projects already started or starting in the four-year period;
- ▶ capital discipline with an average expenditure of about €4.5 billion per year over the 2022-2025 period characterized by high flexibility (>45% capex uncommitted in the 2024-2025 period);
- ▶ further development of integrated initiatives with the Global Gas & LNG Portfolio segment for the gas equity enhancement;
- ▶ maximizing efficiency and business continuity;
- ▶ enhancement and rationalization of the exploration portfolio, with the aim of discovering 2.2 bln boe of resources at a unit cost of lower than \$1.5 per barrel; exploration will be focused (about 90%) in areas adjacent to near-field production fields and existing or soon to enter into operation infrastructures and will be a strategic driver in the decarbonization path, aligning the portfolio of resources with the objectives of production mix and the medium/long-term emission profiles.

Cash generation will also be supported by portfolio transformation with the exit from marginal and/or high break even assets and the focus on high cash generating assets and the creation of the business combination in Angola and the listing of Vår Energi, in order to reduce financial exposure and enable more accelerated asset growth. The overall contribution of the abovementioned actions will allow to achieve a 2022-2025 cumulative organic free cash flow equal to approximately €29 billion.

GLOBAL GAS & LNG PORTFOLIO

In the plan period, GGP will continue the strategy of maximizing returns, leveraging on the flexibility of gas portfolio through optimization and renegotiation initiatives. In the current situation, GGP will also leverage on portfolio, capabilities and business relationships to strengthen and diversify the national supply. The other driver of growth and value creation is the expansion in the LNG business through development in new premium and growing markets in the Middle East/Far East and the increasing integration with the upstream business for the enhancement of gas equity in Congo, Angola, Indonesia, Nigeria, Mozambique and Egypt thanks to the strategic terminal of Damietta. The portfolio of contracted LNG volumes is expected to exceed 15 mmtons/y by 2025. The valorization of gas pipeline interests will also contribute to value creation. The abovementioned actions will allow to achieve a 2022-2025 cumulative free cash flow equal to approximately €2.7 billion.

REFINING & MARKETING

The strategy of the Refining & Marketing business is focused on the development of the biorefining capacity, expected to almost double to 2 mmtons/y in 2025 and grow further until reaching the capacity of 6 mmtons/y in the next decade; biorefineries will be supplied exclusively with second and third generation palm oil free charges by 2023. In the retail marketing is foresees the gradual mix evolution of products sold, reaching 100% of the sale of decarbonized products by 2050.

The 2022-25 Plan provides:

- ▶ the diversification of the green offer through (i) the strengthening of biorefining with an increase of processing capacity up to 2 mmtons by 2025, palm oil free from 2023, leveraging on second generation oils not in competition with the food chain and other innovative feedstocks (waste/residues) that will cover approximately 90% of the feedstock by 2025; (ii) the development of the biomethane business; (iii) the extension of the SAF (Sustainable Aviation Fuel) production capacity;
- ▶ the growth of marketing in Europe leveraging on the high margin segments, the strengthening of the offer of alternative fuels, the further development of non-oil services in retail and, more generally, the promotion of sustainable mobility through a dedicated entity.

CHEMICAL

Eni's long-term strategy aims to significantly reduce exposure of the chemical business to the cycle volatility and the cost of the oil feedstock through the specialization of the product portfolio and the development and integration of the chemical business from renewable sources and chemical/mechanical recycling.

The 2022-25 Plan provides:

- ▶ the progressive specialization of the polymer portfolio towards higher value added products and extension of the downstream supply chain towards "compounding" to reduce volatility margins;
- ▶ the development of chemistry from renewables and the expansion of circular economy initiatives, in particular mechanical and chemical recycling also through partnerships;
- ▶ the progressive reduction of GHG emissions, increasing energy efficiency.

PLENITUDE

The main medium/long-term strategic lines aim to the development in synergy of the renewable installed capacity with targets of 15 GW by 2030 and 45 GW by 2050 and the retail customers portfolio up to exceed 20 million contracts by 2050 through the selection

of areas of renewables expansion linked to the presence of our customers as well as the development of activities in areas where Eni already operates. In 2040, decarbonized products from Eni's portfolio (energy from renewables and biomethane) and new energy services will be offered to retail customers.

The 2022-25 plan provides:

- ▶ Plenitude's IPO and the creation of a unique business model which combines production from renewables, energy sales and energy services to retail customers and a widespread network recharging points for electric vehicles; the operation is one of the strategic steps towards zero Scope 3 GHG emissions associated with our retail customers;
- ▶ the installation of more than 6 GW of installed capacity by 2025;
- ▶ growth of the customer portfolio with the aim of exceeding 11 million of delivery points by 2025, leveraging on the international development and growth of the power customer portfolio;
- ▶ the focus on business related to energy efficiency and distributed photovoltaic generation and the development of the E-Mobility market with the aim of reaching around 30,000 recharging points by 2025.

POWER

The 2022-25 Plan provides:

- ▶ the maximization of results, thanks to the flexibility and efficiency of the plants and targeted investments;
- ▶ the identification and development of new technological solutions with low carbon impact.

CAPEX PLAN

The four-year capex plan is focused on high-value projects with rapid return and includes an overall investments of approximately €28 billion. The plan is characterized by high flexibility with more than 55% of investments in the 2024-25 period not yet contracted. In line with medium and long-term targets and to feed the process of decarbonization of the company, Eni plans investments in renewable sources, efficiency energy, circular economy and flaring reduction of over €7 billion.

Strategy execution combined with a strict financial discipline and the asset portfolio optimizations will further strengthen the financial structure to support the acceleration of green businesses growth and the remuneration of our shareholders on a top level in the industry.

REMUNERATION POLICY

Eni's management is committed to guarantee competitive shareholders' return by executing a progressive shareholder remuneration policy, that is reflective of the volatility of crude oil prices. It has been established a floor dividend of €0.36 per share that is paid with a Brent price of at least 43 \$/bbl. The floor dividend is complemented by a variable dividend which size progresses alongside the rise in crude oil prices till 80 \$/bbl, according to a preset scale of amounts at various Brent prices ranges.

For 2022, having assessed the progress of the Company in executing its strategy, a solid financial position and an improved outlook for crude oil prices, the management expects to increase the annual total dividend to €0.88 per share, based on the assumption of a Brent reference price of \$80/bbl for the year and to activate share buy-back for €1.1 billion.

Furthermore, in case of crude oil prices above 90 \$/bbl, management is expected to reassess by July and again in October, the oil scenario. In case of an upward revision to the Brent reference price assumption for the year, it will activate incremental buy-backs amounting to 30% of the excess cash from operations deriving from the updated Brent price.