



# Letter to shareholders

Dear Shareholders,

in 2024 Eni delivered excellent operating and financial results driven by the consistent execution of our strategy of unlocking value, leveraging on technological expertise, the quality of our assets portfolio, the distinctive satellite model and capital discipline. This allowed us to remunerate our shareholders with competitive yields and to progress on our target of carbon neutrality, underpinned by a robust economic sustainability.

Eni's organizational set-up has been redesigned into three business groups, in view of more effective strategy execution: (i) The "Chief Transition & Financial Officer", tasked with increasing the value of the businesses related to energy transition; (ii) The "Global Natural Resources", tasked with maximizing profitability across the oil&gas value chain, including power and trading activities; (iii) The "Industrial Transformation", tasked with accelerating and completing the downstream oil reconversion and the restructuring of Eni's chemicals activities.

The 2024 steady financial results underpin Eni's ability to capture the opportunities of an evolving energy market, achieving stable returns across the cycle and a significant reduction in financial leverage. The Group earned €14.3 billion of proforma adjusted EBIT and €13.6 billion of adjusted operating cash flow, both well above our plans.

We made significant progress towards our goal of €8 billion of net cash from disposals thanks to the deployment of our satellite strategy to valorize the transition-related businesses of Enilive and Plenitude, delivering proceeds of €3.7 billion through private investments and unlocking over €21 billion of enterprise value. Noticeable progress was also made in the restructuring of the Exploration & Production asset portfolio with the disposal of non-strategic fields.

A robust cash flow from operations, the contribution of the disposal program and continued cost and capital discipline allowed us to fund €8.8 billion of growth and maintenance capex to support the business and to boost our shareholders remuneration through an increased dividend, at €1 per share (up by 4% from 2023), and a share buyback program of €2 billion, almost doubled compared to the initial guidance. Shareholders' remuneration reached a competitive yield of over 10%, while keeping under control our leverage that on a proforma basis including the transactions defined in 2024 stands at 15%, representing an all-time low for Eni.

Growth was significant both in the traditional business and in the businesses related to the transition.

In 2024 hydrocarbon production increased by 3% to 1.71 million boe/d due to ramp-ups in Côte d'Ivoire, Congo and Mozambique, the start-up of the gas project Argo-Cassiopea offshore Sicily, as well as the acquisition of independent oil& gas producer Neptune.

We laid foundations of a new exciting growth phase thanks to exploration success and progress in new projects.

Exploration activities discovered 1.2 Bboe of resources in the year, confirming an engine of growth and value creation. Main 2024 successes were the material discoveries at the Geng North prospect in Indonesia, Calao in Côte d'Ivoire, the appraisal of Cronos offshore Cyprus as well as near-filed findings in Mexico.





We continue to reduce the “time-to-market” of our reserves owing to our fast-track phased approach in the development of projects.

In December 2024, it was started up as scheduled and in line with the budget, the Phase II of our flagship Baleine oil project, off Côte d'Ivoire, while at the Congo LNG project, following the start-up of the Tango FLNG liquefaction plant, the next expansion phase is progressing rapidly with expected start-up at the end of 2025.

Building on the success of Vår Energi and Azure Energy, a new geographically focused, upstream satellite was established combining Eni's and Ithaca Energy's respective oil & gas portfolios in the UK, with a view of maximizing growth options, synergies and cash returns.

In Indonesia, also leveraging the integration of Neptune assets, the development plan of two worldwide flagship gas projects has been approved: the Northern Hub including the exceptional discovery of Geng North and the Southern hub extension which will prolong the useful life of the Jangkrik FPU.

In the Eastern Mediterranean, a historic agreement with Cyprus and Egypt was signed for the exploitation of the large Cypriot gas reserves of Block 6, leveraging the infrastructure in place at the Zohr field and the Damietta liquefaction plant in Egypt, which will pave the way for the creation of a gas hub in the Mediterranean East and the opening of a new gas supply route for Europe.

In addition, a strategic agreement is being finalized with Petronas to combine the respective gas portfolios in Indonesia and Malaysia, laying the foundations for setting-up a company expected to produce 500 thousand boe/d in the medium term over a long production plateau thanks to the significant potential of our discoveries.

The E&P disposal program has moved forward, as we divested non-strategic oil activities in Alaska, Nigeria and Congo, in line with our strategy of rationalizing the upstream portfolio with increasing focus on core projects.

Thanks to production growth and cost control, E&P achieved €13 billion of proforma adjusted EBIT.

GGP confirms the solidity of its business model, capable of generating stable economic results, with €1.1 billion of proforma adjusted EBIT in 2024, leveraging the continuous optimization of its gas and LNG portfolio.

Plenitude and Enilive, our satellites committed to offering increasingly decarbonized products and services to customers, continue to grow and generate value. Both achieved their annual profitability targets, with approximately €1 billion of proforma adjusted EBITDA each, despite the unfavorable environment.

Plenitude reached an installed capacity of 4.1 GW (+37% vs. 2023); Enilive started the construction of three biorefineries: in Livorno, through the conversion of the existing Eni plant, in South Korea and in Malaysia, in joint ventures with local partners.

In 2024, the investment of the KKR fund in Enilive, through the acquisition of a minority stake of 25% worth €2.9 billion, and that of EIP in Plenitude, for a total stake of 10% in two separate transactions for a total proceed of €0.8 billion, confirm the innovative nature of the integrated business model and the significant growth prospects of the two Eni's subsidiaries. These transactions are concrete and successful examples of Eni's satellite strategy, aimed at creating financially independent businesses in the transition with high growth prospects, securing access to strategic capital pools and unlocking their market value.

In February 2025, the KKR fund agreed with Eni to increase its stake in Enilive to 30%, for an additional consideration of €0.6 billion.

Thanks to the progress of our CO<sub>2</sub> capture and storage projects, mainly in Italy, with the launch of Ravenna CCS Phase 1, and in the UK, where the sanctioning of the HyNet project is progressing rapidly, we have opened up opportunities to create a new satellite in the transition businesses.



Versalis will undergo a comprehensive plan to recover profitability by restructuring loss-making activities in cracking and polyethylene production, and by upgrading the product portfolio to a high-value platform focused on biochemistry, circular/recycling economy, and specialized polymers. This plan will allow the evolution of Versalis towards a business model capable of exploiting our technological skills to create competitive advantages in the transition, in line with Eni's strategy.

The success of Eni's strategy, the competitiveness of the business and access to new markets and growth opportunities are driven by our technologies, both those developed in the context of traditional activities and those developed in laboratory with the aim of achieving breakthroughs.

The growing biorefining and CCS businesses were initially established thanks to our intangible capital of proven technologies developed in the traditional field, such as Ecofining™, an innovation derived from traditional refining, and reservoir technologies for CO<sub>2</sub> storage.

The transformation of traditional refining and Versalis will leverage both the conversion of plants into biorefineries and the production of storage systems, and innovative technologies such as Hoop® for the chemical recycling of plastics and Waste-to-Chemicals for the production of circular methanol/hydrogen from waste.

We are progressing technologies that promise to become breakthrough, namely the magnetic confinement fusion for generating zero-emission electricity, with the goal of starting commercial production at the beginning of the next decade.

Eni's technological progresses and the development of new energy solutions will exploit the vast computational capacity of our new HPC6 supercomputer, which represents an essential lever in all business phases and for achieving the Net Zero goal by 2050. This asset complemented by with key elements, like existing space at our industrial sites and the electricity supplied by our gas-fired power plants and decarbonized thanks to CCS, will be a factor in pursuing new, exciting business opportunities. In February 2025, Eni agreed a partnership with UAE's companies for the development of data centers in Italy powered by "blue power", within the broader framework of collaboration agreements that also embrace the transmission of renewable energy through interconnection between Albania and Italy and critical minerals.

Our business is becoming increasingly sustainable and with a low emission impact. Our most recent upstream projects, Baleine in Côte d'Ivoire and Argo/Cassiopea in Italy, are designed to achieve net zero emissions (Scope 1 and 2) from the start-up phase; thanks to these and other efficiency initiatives, net Upstream emissions, in equity share, decreased by 55% in 2024 (vs. 2018 baseline), in line with the Net Zero Upstream goal by 2030.

In 2024, we published the first Methane Report, reaffirming our goal of reaching near-zero methane emissions by 2030.

As part of the CEO Water Mandate initiative, we are engaged in achieving water positivity by 2035 in at least 30% of our operated sites, with withdrawals greater than 0.5 Mm<sup>3</sup>/year of fresh water in water-stressed areas. Appreciating our commitment to sustainability, Moody's ESG Solutions confirmed Eni's positioning in the Advanced range, the highest of the rank, for the Company's proven capabilities in managing ESG risks.

These results are based on our business model and on the levers of operational excellence, asset integrity and HSE culture of protecting the safety of people in the workplace, communities, the environment, and property from the intrinsic risk associated with the complexity, reach and scale of our activities.

The tragic event occurred at the Calenzano storage hub, with its tragic toll of human lives, is absolutely in contrast with our corporate culture and values that prioritize the safety of people and the integrity of our assets. All of us at Eni wish to express our compassion and support to the affected families. The organization maintains and strengthens its commitment to operational safety and the pursuit of the goal of zero accidents in the workplace, which we continue to support with significant professional and economic resources.

## STRATEGY

Over the next four years, Eni's strategy will be focused on the businesses where we can boast competitive advantages, which will fuel leading risk-adjusted growth and returns. Eni's industrial plans aim at accelerating the Group's profitable growth and its diversification, maximizing the benefits of the satellite model and



maintaining a solid capital structure and a growing distribution policy. In line with our strict return criteria applied to projects' selection, we will grow organically in the Upstream segment and progress along our transition and transformation trajectory, leveraging our portfolio to anticipate value creation and to balance market exposure.

For the next four years, we have launched a €33 billion investment plan, equal to €27 billion when considering the contribution of net proceeds from the portfolio program, which will be self-financed through operating cash flows.

Planned expenditures will target development of upstream projects, mainly gas ones, and the exploration for reserves' replacement, the build-up of renewable capacity, expansion of biorefineries, Versalis' transformation and the traditional refinery reconversion.

Hydrocarbon production is expected to grow at an average rate of 3-4% per year (2-3% net of disposals). Plenitude's renewable capacity is expected to reach 10 GW in 2028, more than double the current level; biofuel production capacity will increase to over 3 million tons/year by 2028, with an important flexibility lever given by SAF optionality.

Versalis, thanks to the development of the new bio, circularity and transition platforms and the closure of most of its commodity activities (crackers in Ragusa, Brindisi, Priolo) is expected to return to breakeven in 2028.

As part of the industrial transformation, we will complete the conversion of the Livorno plant into a new biorefinery, with start-up expected by the end of 2026, and we will move forward with the conversion of the Sannazzaro and Priolo sites in bio plants.

Active portfolio management is confirmed as one of the main sources of self-financing thanks to the enhancement of our satellites

and the Dual Exploration Model, whose net contribution is expected at approximately €6 billion in the 2025-2028 period.

Considering the planned actions and projections of robust profitability going forward and a solid financial structure, we expect to distribute to shareholders between 35% and 40% of the adjusted CFFO, a higher rate than in the past, by progressively increasing the dividend and through share repurchases. In case of any scenario upside with respect to our plans, we intend to return up to 60% of the excess cash through share repurchases. For 2025 we are proposing a dividend of €1.05 per share (+5% vs. 2024) and a share buy-back program of €1.5 billion, with possible upside up to €3.5 billion.

We confirm our continuous commitment towards achieving the goal of Net Zero Scope 1 and 2 emissions at the upstream business by 2030 and at all other Eni activities by 2035.

Finally, the '25-'28 plan projects an increasingly competitive, profitable and financially sound company thanks to our distinctive growth model, which will be applied both to traditional and transition-related businesses. We are going to monetize the organic growth opportunities of our portfolio and to maximize the value of our satellites to effectively manage current and future market challenges, ensuring reliable, affordable and lower emission supplies.

To conclude, we would like to thank Eni's people, our main asset, who have once again proved their commitment and dedication to the Company, making it possible to reach this year's achievements, while being ready for future challenges.

Rome, March 18, 2025

On behalf of the Board of Directors

**Giuseppe Zafarana**  
Chairman of the Board

**Claudio Descalzi**  
Chief Executive Officer