Letter to shareholders

Dear Shareholders,

2022 has been a challenging year for our company, engaged in delivering fast and tangible solutions to the European energy crisis, at the same time while managing the related risks and progressing the transition to a sustainable development model in line with the climate targets of the EU and the 2030 Agenda of the United Nations. Russia's military invasion of Ukraine has dramatically highlighted the need of our society for secure and affordable energy. The stability and security of energy supplies has altered at least in the short-term the priority of energy agendas of States and operators, balanced on the other hand by reaffirming and indeed relaunching the decarbonization targets in the medium and long-term, in the awareness that the climate emergency needs quick actions.

We are confident that our distinctive strategy, leveraging on available tools and technologies capable of immediately reducing emissions and on the central role of gas in our portfolio, based on its lower carbon footprint, will allow us to address in an effective and practical manner the trilemma of environmental sustainability, energy security and affordability, building upon the geographical and technological diversification of energy sources.

We will work with all our Stakeholders and Partners to fulfil this proposal.

In facing the unprecedented challenges posed by the 2022 operating environment, our Company delivered excellent results thanks to financial discipline and a constant focus on asset integrity and made a significant contribution to the security of energy supplies to Italy and Europe, boosting objectives of continuous development to adapt to a dynamic energy landscape.

At the same time, we achieved a significant reduction in the carbon footprint of our asset portfolio, thanks to an ever-growing pipeline of renewable and biofuel projects.

Few months after the outbreak of the war, in a context of uncertainty and volatility, we signed several agreements with our long-standing partners to diversify gas supplies to Italy and Europe with a view to fully replacing about 20 billion cubic meters of Russian supplies by 2025, accelerating an ongoing program of focusing on equity reserves.

We plan to increase production in Algeria and Egypt, freeing up new export volumes that will be delivered to Europe through the existing infrastructures (the Damietta terminal and Sea Corridor's TTPC/Transmed pipelines). We will invest to revitalize national gas fields. In the medium term, new gas supplies will be fueled by the gas project "A&E Structures" in Libya, recently signed off. LNG equity projects will be the other strategic leg for the security and geographical diversification of supplies. The Congo project is designed to monetize Marine XII block's reserves, with expected to start-up in 2023. We entered the Qatar North Field East project, the largest in the world, with a 3% interest and growing contributions are expected from the likes of Nigeria, Angola, Indonesia. Finally, Mozambique, the new frontier of world scale LNG projects, has entered the stage thanks to the historic milestone of the start of the Coral South field and FLNG vessel, built and commissioned in just 5 years and in line with scheduled times and costs, despite the pandemic disruptions.

In a period of extreme market volatility, without requesting any financial aid from the State, Eni successfully preserved the robustness of its balance sheet by proactively managing the significant financial risks arisen in connection with the war in Ukraine. To accomplish this, we strengthened our liquidity reserves, restructured hedging activities to reduce the risk of outsized margin calls and rescheduled sale commitments to account possible interruptions in Russian gas flows.

2022 marked a year of substantial progress in our transition strategy, founded on the pillars of proprietary technologies, the satellite model and stakeholder alliances.

Proprietary technologies matured within our traditional businesses are one of the drivers of our decarbonization path. The Ecofining refining technology has been successfully applied to upgrade our sites of Gela and Venice, converting them into biorefineries. Gas reservoir and storage technologies are being used to develop, in synergy with depleted fields, effective solutions for CO_2 underground storage. A first deployment is planned in UK to build the Hynet storage hub, which will leverage Eni's depleted Liverpool Bay fields, to start storing CO_2 in 2025, with a target capacity of 10 million tonnes/year from 2030. In 2024, a CCS pilot project is expected to start-up off Ravenna, Italy, in joint venture with Snam, to evaluate the feasibility of a large high potential CCS hub, that will leverage Eni's depleted fields and infrastructures in the area.
Break-through technologies are key to Eni's long-term success, among them is the magnetic confinement fusion, a potentially inexhaustible, safe, and zero-emission source of energy, expected to change the future energy paradigm. Commonwealth Fusion System, a spin-out of the MIT, of which we are the leading shareholder, is engaged in building, and commissioning a pilot plant to test the net production of energy from magnetic fusion.

Eni's satellite business model allows us to enhance the value of our assets, while freeing up additional resources for investment in the energy transition. In Energy Evolution group of businesses, this model foresees the creation of dedicated entities, engaged in the progressive reduction and zeroing of Scope 3 emissions, capable of unlocking their intrinsic value by means of a sale of minority stakes or listing on the market. These entities will be able to access specialized capital markets, while still benefitting from Eni's technologies, know-how and services, so to allow the Group to optimize its financial structure. While Plenitude has the goal of supplying 100% decarbonized products, at the beginning of 2023 Eni Sustainable Mobility was set up to offer increasingly decarbonized solutions/products to people on the move, leveraging the strong marketing network and biorefineries vertically integrated with our agri-business.
This model has been applied to selected E&P geographies, by pursuing business combinations resulting in equity-accounted entities where investments will be self-financed, allowing Eni to freeing additional resources to pursue secure and sustainable energy. Following the success of the Vår Energi transaction through its listing at the Norway exchange and entry of new investors, in August Azule Energy, the JV combining Eni and bp asset in Angola, started operations as the largest independent Angolan O&G producer to deliver real value to its shareholders through the development of organic projects, such as Agogo and the New Gas Consortium to extract value from non-associated gas, and the maximization of operating synergies. Looking forward, we expect to replicate this model in other E&P geographies.

Our decarbonization strategy relies on the production of advanced biofuels from waste or feedstock not in competition with the food chain, as palm oil has been phased-out as feedstock for Eni's biorefineries from October 2022. This growth will leverage on integration with our agri-business. In July 2022, we started our agricultural business in Kenya, the first one on this field. Africa will increasingly become part of a vertically integrated supply chain of our biorefineries, supplying bio-oil from raw materials grown in unproductive land, with important, positive effects on local employment and income. In 2022, a first cargo of vegetable oil has been shipped to Eni's plants, with higher emission savings compared to the European standards provided for by the Renewable Energy Directive. We intend to apply this model to other African Countries, such as Congo, Mozambique, Angola, the Ivory Coast, Rwanda and then to Kazakhstan, where feasibility studies are underway, as well as to Italy in cooperation with Bonifiche Ferraresi. The Agri-business embodies the fundamental pillars of Eni's sustainability: decarbonisation, circular economy, local content. With the manufacture of SAF, Sustainable Aviation Fuels, Eni is contributing to decarbonize the air transport thanks to the production at the Taranto and Livorno refineries. In 2024, production of Biojet will start in Gela and Venice with an expected capacity of 0.2 million tons by 2026.

Sustainability is an integral part of our financial strategy. With the adoption in 2020 of a Sustainability-Linked Framework, the Company intends to cover 25% of total gross debt with financial instruments indexed to sustainability targets by 2025.
In February 2023, Eni successfully finalized the placement of its first sustainability-linked bond among the retail public in Italy for a total amount of €2 billion, with orders five times higher than the initially offered amount.

Thanks to the growing commitment to transparency and the business model set up by Eni to create sustainable value in the long-term, in 2022, Eni has been confirmed or improved its excellent ranking in the main ESG ratings of the financial markets: MSCI ESG, Sustainalytics ESG Risk Rating, ISS ESG, Bloomberg New Energy Finance Oil & Gas Transition Score, Moody's ESG Communications, CDP Climate Change, Transition Pathway Initiative and confirmed for the sixteenth consecutive year in the FTSE4Good Developed specialized stock market index. Finally, Eni has been included in the MIB® ESG index of Borsa Italiana, a new index dedicated to blue chips excelling in ESG performance. Referring to gender equality, Eni has been included for the second consecutive year in the Bloomberg Gender Equality Index 2023 and in the Top 100 of the Equileap Gender Equality Ranking.

Against the backdrop of a supportive commodity pricing environment, 2022 results were driven by financial discipline and cost control, operational effectiveness and sound risk management of the price volatility and supply shortages. Adjusted operating profit of €20.4 billion, more than double the 2021 result, was fueled by the excellent performance of E&P (+€7 billion), able to capture the upside of the oil scenario, GGP (+€1.5 billion), thanks to the continuous optimization of the gas and LNG diversified portfolio, and R&M (+€2.2 billion) which, in a tight market of refined products, leveraging on plant availability and output optimization as well as efficiency measures to address the rise in plant utility expenses, reported a record performance.
Adjusted net profit was €13.3 billion, approximately tripling the 2021 result, thanks also to better contribution of our equity-accounted entities. Operating performance generated a robust cash flow of €20.4 billion, net of €8.5 billion of taxes paid, including the payment of extraordinary contributions on energy's profits for over €1 billion.
After funding organic investments of €8.2 billion, working capital needs and replenishment of gas storage, we earned a discretionary cash flow of €12.8 billion, that was utilized to finance net acquisitions, to remunerate shareholders with €5.4 billion (€3 billion dividends and an accelerated buy-back program of €2.4 billion) and to reduce net financial debt by €2 billion, bringing leverage to an all-time low of 0.13. Portfolio transactions related mainly to acquisitions intended to accelerate the growth of Plenitude, assets for the diversification of gas supplies, including the FLNG Tango for the Congo project and a 3% interest in the NFE project in Qatar, as well as the capital increase for the relaunch of Saipem, highly appreciated by the market.

Exploration confirmed its streak of excellent performances with the discovery of around 750 million boe of new resources, at a competitive unit cost of less than 2 $/boe, thanks to the contribution of the Baleine appraisal and new discoveries in Cyprus, Algeria, Egypt, Angola, and the United Arab Emirates.
Plenitude delivered against its operating and financial targets with a proforma EBITDA exceeding €0.6 billion and a renewable capacity of over 2 GW.
Versalis affected by competitive pressures in the commodity segments is implementing a transformation of the business towards a more sustainable and competitive portfolio of products, strengthening its partnership with Novamont to develop green chemicals and progressing the conversion of the Porto Marghera hub, thanks to the agreement with Forever Plast for the mechanical recycling of plastic waste.

Strategy and targets

Eni four-year plan for the period '23-'26 identifies industrial programs and initiatives aimed at consolidating the transition strategy by means of: (a) leveraging the integration of technologies and new business models to offer decarbonised products to customers and to guarantee energy security and affordability through the geographical diversification of sources, and (b) ensuring cash flow and economic returns. At the Brent scenario of 85 $/bbl in 2023 and 80 $/bbl in the long-term, we expect to invest €37 billion in the four-year plan, of which about 25% is allocated to low carbon projects.

Our strategic guidelines in the E&P segment are to maximize cash generation by focusing on highly profitable projects, to deploy our fast-track model of reserves development and to reduce direct emissions. The main planned developments comprise the gas initiatives in Congo, Libya, Egypt, Italy and the Middle East, as well as the giant Baleine oil discovery off the Ivory Coast. As result of those planned projects and of maintaining the plateau at legacy assets, Eni expects a CAGR of 3-4% in production over the 4-year plan period, which will be achieved organically and by gradually increasing the proportion of gas in our portfolio to 60% by 2030.
Eni reaffirms its commitment to exploration as a driver of growth and of support to energy security. We expect to invest around €0.5 billion on average per year, focusing on gas initiatives, and mature/near-field areas such as North Africa, West Africa and the UAE.

The profitability of the GGP business will be underpinned by maximizing the value of the integrated gas and LNG equity projects and by portfolio flexibilities. Contracted LNG volumes are expected to exceed 18 million tonnes/y by 2026 compared to 9 million tonnes/y in 2022.
We expect a significant growth in the biofuel segment, by

accelerating the build-up of new capacity to reach over 3 MTPA by 2025 driven by initiatives in Italy (a biorefinery in Livorno), Malaysia and the US, with a production of biojet up to 0.2 million tonnes by 2026.
The development of vertical integration in the agri-hub supply chain will make available over 700,000 tonnes of bio-oil by 2026, driving margin stability.

Plenitude will continue its growth program with the aim of reaching a renewable installed capacity of more than 7 GW by 2026, a customer base of up to over 11 million and expanding its network of charging points for electric vehicles to over 30,000 units.
We confirm our 2050 carbon neutrality targets for Scope 1, 2 and 3 emissions with a target reduction of 35% by 2030 and 80% by 2040 compared to the 2018 baseline and achieving net-zero emissions by 2035 for Scope 1 and 2 emissions.

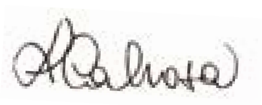
Against the backdrop of an uncertain and volatile scenario, we moved expeditiously and with ingenuity to identify several initiatives to address the need for energy security and for the diversification of supplies, while making strong progress on the decarbonization of our products and industrial processes. The '23-'26 plan will build on those drivers.
The financial discipline in the capital projects selection, a continuous focus on cost control and careful management of the market risk will underpin the planned industrial actions of the '23-'26 period driving strong cash generation to self-finance growth and to deliver industry-leading returns to shareholders through our new dividend and share buy-back program. We will seek to retain a solid financial structure with a leverage of 10-20% and adequate flexibility in the event of sudden shifts in the scenario.

Our stakeholders will benefit from a more sustainable Eni thanks to our strong industrial franchise designated to ensure reliable and affordable access to energy, to reduce emissions, to promote new business models accelerating the transition of our customers, while upholding our core values in terms of respect of human rights along our entire value chain, of local content and of circular economy, as well as the human and professional growth of our people, by enhancing the contribution of each individual, and leveraging on inclusion, motivation and estimation.

Rome, March 16, 2023

On behalf of the Board of Directors

Lucia Calvosa
Chairman



Claudio Descalzi
Chief Executive Officer and General Manager