Eni Capital Markets Update

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Presentation

Speakers

Claudio Descalzi, CEO

Francesco Gattei, CFO

Good afternoon and welcome to Eni's Capital Markets Update. It is a pleasure to see you here at the heart of our technological hub in Bolgiano, one of the seven research centers where we develop our technologies, transform our businesses and continue to improve our operations.

Today we will set out our updated Four-Year Plan and discuss how in a complex and changing market Eni maximizes its opportunities.

In the presentation we will go through the following main topics:

- A distinctive strategy addressing the challenges and opportunities of the energy market;
- Business performances and prospects arising from organic investment;
- A disciplined investment approach and focused divestments that will materially lower our net capex with respect to the previous plan; and
- An improved distribution policy with higher payout, enhanced upside and a raised dividend.

In the Plan we are focussed on fully realizing the value of our traditional businesses and skills, and at the same time fast tracking development of new, high growth and valuable activities related to the energy transition.

Energy transition is irreversible.

The complexity of this transformation raises many questions about the future mix of technologies, the role of geopolitics in the pace of change, how and when it will be executed in the different geographies, and, most importantly, how all of this can be affordable from an economic standpoint.

For sure, there will not be a single answer, valid for all, to manage the energy trilemma.

Therefore, we need an adaptive strategy, that aims at different objectives, of security, affordability and decarbonisation, and which develops levers and business models that are tailored to the differing countries and industries and, most crucially, is economically sustainable.

Our approach is pragmatic and technologically neutral, pursuing a mix of solutions, prioritized on the basis of timing and deployment costs.

It is an approach, progressively shared by policy makers' consensus, that spans from:

- the increased supply of gas and renewables replacing more emitting energy sources in developing countries and improving their energy availability, to
- the deployment of low and zero carbon technologies in OECD countries, echoing our rapid build out of Plenitude and our industry leading positions in biofuels and CCUS.

Such a model preserves the competitiveness of the existing economic and industrial systems and supports current and future energy demand, while developing innovative technologies and optionality - like Fusion - capable of shaping the energy system of the future.

Our approach to the energy transition results in a more profitable, well diversified and more resilient Eni.

In fact, we are differentiating our sources of cash and lowering our risks while expanding into new areas of growth.

Our exploration capacity and technological expertise generate a broad range of opportunities. This then demands a high level of discipline in spending, coupled with a growing portfolio management focus. The combination of selective investments and timely and appropriate divestments helps us to speed up the execution of our strategy, manage risk and optimise capital and returns and thereby secure value.

In our key upstream business, we are maximising flexibility and agility in our development projects – as already proved by our good results and short time-to-market.

The gas component will grow its role in upstream where we expect a return on capital that will be consistently double digit plus. It will also expand our trading opportunities through GGP, a business with virtually no requirement for invested capital that will grow in size and flexibility, enhancing returns further.

In addition, new forms of energy will see an even more sizable growth both in activity and earnings from Transition related businesses. These display high growth and attractive returns on investment.

The return on capital employed is already 15% for Enilive, and, by the end of the decade, we expect it to rise to around 10% for Plenitude, as its revenues scale up and capex for growth will stabilize.

There are also two further segments under rapid maturation where we have a leadership position and will add value:

- CCS, which allows us to exploit existing assets to reduce emissions from hard-to-abate activities; and

- Biochemicals, where Novamont is at the forefront of research on innovative natural products.

CCS will grow in accordance with business models that combine, in some cases, regulated returns and a related merchant component, with expected returns on invested capital of around 10%.

Novamont, on the other hand, has a market potential that leads us to project significant growth and returns of around 15% by the end of the plan period.

In many cases these transition-related businesses have a presence in OECD countries and the ability to repurpose existing facilities through a circular economy concept.

We are seizing industrial potential provided by the Energy Transition with a distinctive organisational and financial model.

Growth in new businesses determines a need to apply managerial and financial focus to activities that have different characteristics in terms of frequency and size of investment decisions, geographies involved, or require a bigger role of marketing.

But, above all it is, from an economic and financial perspective that a potential trade off emerges between:

- Continuing with more traditional businesses that generate high free cashflows, but offer reduced growth profiles, or
- Investing into Energy Transition - high growth sectors where we can generate significant value and command high multiples but which demand capital.

Our satellite model reduces the capital absorption by new businesses preserving the free cash flow from traditional assets for the benefit of shareholder distribution.

Indeed, we can develop emerging activities autonomously, usually with third-party funding, accessing new pools of aligned capital and thereby highlighting value creation.

The recent sale of the Plenitude stake for example is the first step to support further investments and it highlighted the value already generated in this business but not reflected in Eni's multiple. We intend to replicate this model for Enilive, for our Novamont biochemical activity and for CCS.

At the same time a satellite structure can also be applied in some upstream geographies, to access operational and financial synergies, maximise growth potential, and, of course, free up more capital for the rest of the portfolio.

Var and Azule are very successful examples of business combinations that have allowed us to fuel upstream growth under a dedicated and focussed management structure in Norway and Angola. Similar opportunities are under evaluation in other geographies.

Our satellite businesses in 2023 accounted for around 4Bln€ of adjusted EBIT and provided us with 2.3Bln€ of dividends.

Natural Resources will continue to be a dynamic and material value and cash generator for Eni, while delivering progressive decarbonization.

We will follow an organic strategy to develop our activities leveraging our highly distinctive exploration and market-leading fast track development to grow over the Plan.

We are expanding our existing trading activities so as to participate in the full gas value chain.

And we are using existing infrastructure and depleted fields to capture and store CO2, both for ourselves and as a service for others.

The considerable optionality and flexibility of new projects also allow us to unlock value earlier and to de-risk investments via an increased relevance of portfolio management, in line with a track record already established by our dual exploration model.

Exploration is a core, high return activity of our Upstream business.

To secure full realisation of the value potential means being strategic about how and where we explore, and doing so at significant equity levels. This then allows us to accelerate valorisation, reduce the time to start up, and retain the option of part-divestment.

Eni has developed a unique model that maximises the time to value of our exploration.

- Over the past 15 years we have made discoveries of over 16 billion barrels of resources at a unit cost of $1.2;
- Over the past 10 years we have put into production 70% of our discoveries;
- In the same time we have cashed-in around 10 Bln € via the dual exploration model.

We have progressively shifted our focus to “Near-Field” exploration to further reduce the time to production.

Cote d’Ivoire and discoveries in Congo, Egypt, Cyprus and Indonesia are clear examples of this approach.

In this Plan we will invest more than 1.5 Bln € in exploration and it will continue to be a strategic, distinctive and material engine of value creation for Eni.

Time to market is the second key feature of our upstream strategy.

Our last two major start-ups are evidence of our fast-track model in action.

- Our floating LNG project in Congo started only 12 months after FID benefiting from the use of already existing facilities and the more advanced technologies.
- In Côte d'Ivoire, we have used a similar approach, with the refurbishment of an existing ship, modernised and upgraded, to start the first phase within 18 months, optimising both costs and time.

Our model is based on parallelising the execution of the different development phases, the use or reconversion of existing assets and a phased development that reduces upfront investment and allows us to learn more about the reservoir behaviour.

This can only be achievable with the distinctive in-house resources and technology expertise which we develop in R&D hubs like the one we are in today.

In terms of production we see underlying growth over the Plan at 3-4% before disposals, in-line with the 2023 Plan. The main start-ups foreseen in the plan are those related to:

- Phase 2 of Baleine in Côte d'Ivoire;
- The ramp-up of activities in Congo, where the arrival of a second floating unit is expected;
- The development of structures A and E in Libya; and
- Different projects in Indonesia consolidating a Southern hub, as well as the development of a new northern hub around the discovery of Geng.

The new projects under development will have an average IRR higher than 20% helped by the fast time-to-market and will contribute to a CFFO/boe growth of more than 30% in the Plan period.

Fast track development and dilution of stakes through M&A will work synergistically to bring forward positive cash flows and manage overall cash exposure.

Thanks also to our dual exploration model and mature asset disposals we will keep the net capex related to our Upstream business to around 5Bln€ a year with reported production growth after divestments of around 2%.

2022 and 2023 were impressive years for GGP:

- We successfully managed price volatility and financial risks emerging from the cutting of Russian supply;
- We were instrumental in securing replacement sources of gas to meet customer needs;
- We demonstrated the capability to add material value and extract margin from the supply of equity gas;
- And we transformed GGP's role by playing across the entire value chain, focusing on commercialization and valorization of equity gas.

In the context of a lower macro scenario with a reduced level of volatility for gas, we are conservative in our Plan outlook: we expect to deliver 800Mln€ per year of proforma EBIT, the same that we set out last year.

However, current markets remain highly sensitive to geopolitical tensions, supply issues, weather and demand effects. In this context we have clearly demonstrated that we have the supply portfolio, the infrastructure access and the expertise to generate significant upside – to over 1Bln€.

Moving to CCS.

Carbon Capture and Storage is a crucial technology in the decarbonization of industrial clusters, in particular in hard-to-abate sectors, and hence for the success of the Transition itself.

Indeed, its role has been recognised by the most relevant international organisations such as the IEA, IPCC and IRENA and most recently by the EU's decarbonisation policies.

For Eni, CCS represents an opportunity to reduce our net emissions but also to generate value, creating a new Transition linked business. We have developed a distinctive approach thanks to our large inventory of depleted reservoirs and through our technical and commercial know-how we can play the role of Transport and Storage operator and, for large industrial hubs, the cluster orchestrator.

We have established a leadership position particularly in the UK and in Italy and we are further expanding in North Africa, the Netherlands and in the North Sea. Our unrisked portfolio of opportunities is of the order of 3 GT of gross storage capacity.

Our goal is to reach a CO2 injection capacity of more than 15 million tons per year by 2030 and to progressively rise to around 40 million after 2030, exceeding 60 million in the Long Term.

In the UK, our Hynet project is the most advanced. In October we signed Heads of Terms with the government defining the key terms related to the economic model and the remuneration of investment for transportation and storage, on a regulated asset based mechanism.

We plan to sanction the project in 2024 simultaneously with that of the emitters.

Ravenna CCS Phase 1 will start up this year, with the Phase 2 expansion scheduled for starting up in 2027 and capacity rising to 4Mln tonnes per year. Further expansion could take this facility to up to 16Mln tonnes in the 2030s.

CCS is ideally also suited, at the appropriate time, to a satellite-type structure with both strategic investors and as a vehicle for equity investors, enhancing returns to Eni.

Energy Evolution integrates a number of businesses that drive the Transition and reposition Eni towards higher growth and better valuations.

Enilive, Plenitude and biochemistry/Novamont provide a portfolio of business solutions to help customers to cut emissions, and, as we have already said, they are ideal candidates for our Satellite model.

Enilive is rapidly developing a multi-energy, multiservice strategy to generate value in the sustainable mobility space.

Our Biorefining activities are evolving into a high-performing, high-returning and globally relevant business thanks to our early mover status, scientific know-how, and a vertically integrated approach.

We recently sanctioned our third Bio conversion at Livorno, and a fourth is currently under study.

We are also expanding our global footprint. Building on our JV with PBF at Chalmette, we are developing projects with Petronas and Euglena in Malaysia and with LG Chem in South Korea. Both are scheduled for FID this year and in operation by 2026.

Our target is to raise biorefining capacity to over 3 Mtpa by 2026 and to over 5 Mtpa by 2030, about a 20% growth rate.

Demand for Sustainable Aviation Fuel will be supported both by regulation and by voluntary demand. Against this backdrop we are accelerating production of SAF from our assets and we expect to have more than 1 Mton SAF optionality by 2026 – twice our previous goal – with the potential to double by 2030.

In parallel, we are progressing our unique vertically integrated feedstock strategy with 700 kton production of novel vegetable oil from agribusiness that will grow to account for over 35% of our Italian throughputs by 2027. This ensures an economic and reliable vegetable oil supply source. We are also investing in pre-treatment technology to capture further margin.

Enilive is integrated along the value chain with the sales of mobility products and services to retail, wholesale and worldwide cargo markets.

In retail we see major transformational opportunities. Building on our network of around 5300 service stations in Europe and we are evolving the traditional retail outlets into mobility hubs to provide a wider experience.

- We are expanding our network with 300 premium stations in strategic areas, implementing a full redesign.
- As retail represents a significant captive market for our sustainable fuels, we plan to sell HVO in over 1000 stations by the end of 2024, nearly doubling sales in just one year.
- We are also progressively rolling out other alternative energy carriers such as biomethane and electricity throughout the plan - helping our customers in their decarbonisation journey.
- And we are expanding our non-oil offering for which we target a contribution to EBIT of about 40% by the end of the plan.

Thanks to the combination of bio-refining throughputs tripling by the end of the Plan vs 2023, our focus on premium products, and a steady contribution from marketing, we target a 20% growth rate in pro-forma EBITDA to over 1.6bln€ by 2027.

Our conservative approach at this early stage of development leaves further upside to EBITDA in the plan, as the agri-hub cost structure normalises, leading to a 20 to 30% cost advantage against comparable feedstock.

Enilive is organically self-financed through the plan with disciplined capex of 0.5bln€ per annum, of which 65% is targeted to growth.

The growth and return opportunity in Enilive warrant a premium multiple versus the traditional businesses. It is therefore ideally suited to follow the same pathway as Plenitude in attracting aligned capital to support growth and give visibility to the value created.

In 2023 Versalis has been materially impacted by the global chemical market scenario and the particular challenges of Europe.

Our commitment is to accelerate the restructuring of this business, to align the integration with the growing new bio-based chemical platforms.

2023 was also a catalyst year as in October we completed the acquisition of the remaining shares of Novamont taking full control of this world leader in the production of bioplastics and biochemicals.

So we are transforming and re-positioning Versalis, leveraging the new platforms focused on specialized products, bio-based chemistry and circularity solutions, where we can compete with a leading position.

Within the context of the Plan the prize is significant. The target EBITDA breakeven in 2025 and positive EBIT in 2026 represent an improvement of over 600Mln€ to the group.

I would emphasise the work underway in transforming our Traditional Refining to our Bio-Refining represents a good precedent in how we can re-position an uncompetitive business, leveraging our innovation and technological capabilities.

At the Breakouts you will have the opportunity to meet with management and go through their plans in more detail.

Plenitude continues delivering its outstanding operational growth. By the end of 2023 installed Renewables reached 3GW, almost 10 times the figure of end-2020.

We plan to grow capacity further, increasing to 4GW in 2024 and more than doubling to over 8GW by 2027. This growth is supported by a solid pipeline in excess of 20GW, well diversified in different technologies and geographies, of which 2 GW is under execution, 4 GW is of high/medium maturity and 15 GW low maturity. In 2023 we also grew charging points by 46% and expect to double them by 2027.

Plenitude's integrated business model is a critical and differentiating quality. The combination of renewables and our 10 mln clients provides valuable internal hedging, as seen in 2022 and 2023, two highly challenging years. Plenitude's e-mobility growth will also leverage Enilive stations, while also continue developing partnerships with car manufacturers and large scale retail across Europe.

Value creation in our operating performance is also evident in our financial results. In 2023, full year pro-forma EBITDA totalled above 900Mln €, this is 200Mln€ ahead of our initial projections. We expect 1Bln€ of pro-forma EBITDA in 2024 and then a doubling to 2Bln€ by 2027.

Our growth is supported by organic investment over the plan period averaging around 1.4Bln€ a year, of which 70% goes to Renewables.

In December we reached an important milestone with the investment of 0.6Bln€ by Energy Infrastructure Partners, which closed last week. The deal confirms enterprise value built at above 10Bln€, providing a helpful benchmark as we move towards our plan of an IPO.

The growing materiality of Plenitude in Eni Group requires understanding: its different risk profile, return on capital employed during the growing phase, EBITDA multiples and debt capacity. All elements that differ from the other businesses of Eni.

These elements, together with the other financial targets of our plan and the enhanced distribution policy will be described by Francesco Gattei, to whom I leave the floor.

Thank you Claudio and good afternoon.

Eni financial framework supports the execution of a strategy that

- builds businesses with complementary risk and returns profile;
- increases resilience and flexibility across the cycle
- and delivers value to shareholders.

Looking to the new 4YP the context is a more cautiously framed Scenario: we assume $80/bbl oil, € 30 to 35 for Mega Watt hour for gas and an average $5.40/bbl SERM.

In 2024 we expect to generate around €13.5Bln in Cash from operation. Over the course of the plan we also expect to grow CFFO in a constant scenario by around 30% or over €4Bln.

This extends the growth rate we set out in the previous Plan.

The growth in operating cashflow is delivered from all segments. It is worth highlighting that our 2 main Transition businesses of Plenitude and Enilive will account for 20% of the CFFO growth during the plan period, emphasising the emerging high quality diversification we see at Eni.

As we will continue to right-size the corporate structure in the context of our strategic evolution and satellite model, we also expect to deliver €1.8Bln of savings and simplification benefits over the Plan.

As we have highlighted we find ourselves in a situation of real depth of investment opportunity

For this reason we have to be, and we will be, highly selective in project sanctioning.

On portfolio, we don't require acquisitions and we can instead gather partners to support our Projects.

In the Upstream we will leverage our well consolidated model of Dual Exploration, by reducing our equity and anticipating cashflow.

We made significant discoveries, for instance, in Ivory Coast, Cyprus, Indonesia and Congo which all hold the potential for the type of equity dilution we have successfully performed in the past.

This divestment activity is in addition to the continuing management of tail assets such as our 2023 sales of assets in Congo, already completed, and Nigeria.

At the same time we are also looking at growth from the new Transition businesses that are essentially self-funded – with the dilution of minority stakes or IPO valorization if market conditions are favorable.

Following the successful dilution of Plenitude, that we completed at the beginning of March, we expect to speed up in the valorization at each of the four main businesses related to the Transition capturing the real multiples appropriate to their activities.

Our disciplined investment approach and the quality of our portfolio means that we now see our gross investment at €35Bln, less than €9Bln per year, and €2Bln lower than the previous Plan.

But our overall capex absorption will be materially lower in this Plan. In fact with the more active divestment and value realization I have described we expect an overall net capex of €27Bln, an average of €7Bln per year, more than 20% lower than last year's Plan.

We have uncommitted capex in 2024 of 15% of the budget and this rises by around 20% of the budget in each of the subsequent years.

Our distribution policy confirms the progressive growth in shareholder value related to our strategy.

In the past two years we have distributed almost €11Bln, an historical record for Eni, approximating to 20% of the current market capitalisation, and we expect to continue at a high level in the coming years.

Our model is to continue to rank distribution as a top priority through a percentage of operating cashflow – a transparent link to our business performance.

Today we are announcing that we are enhancing our payout which will now target a distribution around 30-35% of CFFO compared with the previous 25-30%.

We will allocate an amount to the dividend and the rest as a buyback – the variable component.

For the 2024 dividend, we propose an increase by over 6% to €1/share from the previous €0.94 cents, paid in quarterly installments.

On the Buyback, following approval at the Assembly in May we expect based on the 2024 scenario to repurchase €1.1Bln.

This is a flexible tool, with higher exposure to the upside:

- In fact, similar to 2023, we can confirm that in lower than planned scenario we will seek business outperformance and use financial flexibility to deliver the target buy-back.

- While, in the case of better than planned CFFO outcomes we will now allocate up to 60% of incremental cash to our buyback. This is a material improvement versus last year when we indicated 35% of incremental cash allocated as an upside.
- As an example, at $90/bbl, benefitting from the top end of the enhanced payout, the buyback would amount €2 Bln.

Overall, during the plan period and at our scenario we are planning to buyback above € 6.5 Bln of our shares reducing the share count by 13%. A continuous and material improvement of the return for our shareholders.

In conclusion, we are keeping our distribution policy highly competitive, implying at the current share price a distribution yield of 9%.

Our investment and distribution plans are made in the context of maintaining balance sheet strength and flexibility. During the Plan period our CFFO will average over €15Bln per year and net capex will average around €7Bln implying a FCF that materially covers our distributions, and enhances balance sheet strength.

Our goal is to preserve Eni as a strong investment grade credit.

This means leverage will range between 15-25% as we seek to balance a fundamentally conservative capital structure with flexibility and advantaged cost of capital.

To emphasise this point the average cost of our net debt, thanks to good returns on our liquidity was 0.8% in 2023, and we expect it to be at around 1.5% through 2024.

For this reason we took the opportunity to advance our strategy completing important strategic acquisitions in a particularly favourable period in terms of net borrowing cost and we see leverage falling back towards the low end of the indicated range by the end of the Plan.

Furthermore, it is also worth noting the role of Plenitude in our debt composition. Plenitude's financial model and risk profile lends itself to higher gearing than would be typical at an oil and gas company.

At the end of 2023 its net debt stood at €2.2Bln and we expect it to target debt levels at around 2-3x EBITDA, in line with the norms for such businesses. In context Eni ex-Plenitude leverage was around 3 PP lower at end 2023, while by 2027 that figure will be around 5 PP.

And these are the key highlights of our financial plan. Now I will return back the floor to Claudio for his final remarks.

Thank you Francesco.

In conclusion I would like to highlight the key features of our Four-Year Plan and particularly the improvements in comparison with the previous plan:

- We are embracing the challenges created by the energy Transition, with a strategy that addresses each element of the Trilemma. We have a distinctive and accretive strategy supported by a strong organic investment performance and focussed M&A.
- We are executing on our deep portfolio of opportunities in a disciplined manner. Its quality enables us to reduce the gross capex in the Plan by €2Bln versus last year. We

have considerable scope to anticipate value in high equity projects, introduce aligned capital in satellites and address our tail. We see net M&A contributing 8Bln€ over the Plan, cutting average annual net capex to 7Bln€.

- Growth in our traditional Upstream and from our new Transition businesses is exceptionally strong. Over the 4 Year Plan we will grow CFFO by 30%, with a material contribution of the new business. During the Plan 20% of CFFO growth will come from the emerging high value, high multiple businesses, well defined in our Satellite structure.
- All economic and financial KPIs demonstrate progress and robustness with a compelling trend of value growth, upside leverage and resilient downside. This enables us to make substantial improvements to our distribution policy. We are raising our payout commitment, the associated dividend and materially increasing the upside participation.
- Our investment will also mean that Eni at the end of the Plan is bigger and more profitable, through high performing Upstream and the new material Transition related businesses.
- Our growth is coupled with a material reduction in emissions. Since 2018 we have cut our Upstream Net Scope 1 and 2 emissions by around 40% and methane emissions by more than 60%.
- In the past 12 months we have made significant strategic steps that give us increased confidence in the path we are taking.
- We have made the organic and M&A investments, continued building technological know-how, created the organizational structures and delivered a new portfolio of new transition-linked businesses.
- Ultimately, it is evident that the energy Transition can only become real if it creates material and sustainable returns and enables new forms of profitable business. And that is what we are doing.

Q&A Session

Moderator
Jon Rigby, Head of Investor Relations & Strategic Analysis

Corporate Respondents

Claudio Descalzi, CEO

Francesco Gattei, CFO

Guido Brusco, Chief Operating Officer Natural Resources

Cristian Signoretto, Director Global Gas & LNG Portfolio (Natural Resources)

Adriano Alfani, CEO Versalis

JON RIGBY: Good afternoon, everybody. We'll start with Martijn.

MARTIJN RATS, MORGAN STANLEY: Hello, two questions, which are somewhat connected. Can you talk a little bit more about the EUR 8 billion of disposals and also how that relates to the difference in the upstream growth guidance, the 3% to 4% versus the 2% reported. Is it as simple as saying EUR 8 billion of disposals lowest the reported growth rate and given that this is such a large amount, can you talk a little bit about sort of where the EUR 8 billion sort of plan came from? And then finally, it's only 2 years ago that we talked about the balance sheet being 10% geared, now we're talking to the 15% to 20% despite EUR 8 billion of disposals. I'm sure there must be a spreadsheet that makes it all work. But can you say a few things about that?

CLAUDIO DESCALZI: Yes. I can say something about the first question, about the EUR 8 billion. So the EUR 8 billion is not coming just through the upstream: it's coming from the upstream - and when you talk about upstream, we talk about tails, so we talk about marginal fields or some cleanup in our asset base - then we have the other -- the other satellite companies that we created where we are looking for strategic partners, like what happened with Plenitude, for example, that gave some additional contribution to the EUR 8 billion.

At the end, when we talk about the EUR 8 billion and reported production 3%-4% after the plan of disposal we go to 2% -- it is because we are cutting about [100] thousand barrels per day -- something like that -- of our marginal field and tails in our asset base in order to reduce costs and to be more efficient also because we have a big optionality. We found a lot of exploration with a high percentage. So we have tails, and we have also dual exploration. So assets where we have to start new development, new CapEx. So we have also an advantage in terms of reducing the CapEx because we are going to reduce the stake this year in assets where we have now 85%, 90%, or sometimes 100% of the asset itself.

FRANCESCO GATTEI: About the comparison on the leverage trend. You are clearly comparing two different macro environments. So the 10% to 20% that we described a pair of years ago or even last year was an environment where the price of gas was materially higher. There was also a higher assumption related to oil, if you remember last year. So I think that if you remove this component related to the scenario, the implicit rise of the leverage would have been 13%.

While once you add back the benefit of the disposal and comparing the period '23, '26, this benefit is substantially adding or recovering between 7 to 8 point percentage. Therefore, the impact of the 5% that you now see in terms of the range is the contribution on the impact of the overall macro, partially offset by the disposal and the new plan of M&A.

CHRISTYAN MALEK, JPMORGAN CHASE & CO: Congratulations on an excellent presentation. Two questions interlinked first, around your crude oil growth. I know you've given a BOE growth target. Can you unpack that in terms of your oil volume or give an indication and also sort of the key milestones in terms of delivery of that volume growth? And then segue into the second question, which is regarding your cash return targets around the macro assumptions you make. Have I missed something? Or is the second order gone down in terms of cash flow relative to oil price sensitivity? Because the assumptions you make or you provided seems to me is this an implicit downgrade relative to what you can generate through the volume growth. So I guess the question is, how has your sensitivity changed on your cash flow relative to your macro assumptions? And if you can walk us through that, so we can be confident that there is upside, as you highlight in your presentation.

FRANCESCO GATTEI: Okay. On the second question, eventually for the oil production there will be Guido. Clearly, the sensitivity is related to the situation of the overall situation and the portfolio that you have at the time of the 4-year plan. This portfolio is moving continuously, is moving continuously because you have new startups. You have different contributions from oil and gas. You see a growing contribution from gas, eventually condensate. And you have different ages or periods of the phases of PSA, so once you look at this kind of sensitivity, and this is the reason we update this range of sensitivity, you have to consider all these factors.

As you can see, we are now in a situation where it is a quite material upside in terms of dollar per barrel effect, in terms of cash flow from operation, but this is partially a bit lower than in the past because the gas component is growing, and therefore, this is reflected in a different sensitivity metrics. And clearly, also, there are some PSA mechanisms. Or also, we have to remind this, the contribution of the satellites because if I move out Var and Azule and these metrics are not reflected because Var and Azule are paying back dividend. So this is an element that is additionally contributing to the dilution or the lower impact that you are mentioning.

CLAUDIO DESCALZI: I see a doubt in your face. Is it clear? Is he exactly answering your question?

CHRISTYAN MALEK, JPMORGAN CHASE & CO: I understand the portfolio is a relatively high cost in the context of the macro assumptions you said. I'm just trying to understand the oily piece of your portfolio, the quality of that oil relative to the BOE -- and how does that work relative to movements in oil price? Because again, like I said, the cash flow that you provided is certainly less than our numbers at JPMorgan.

GUIDO BRUSCO: So let me give you some more color on the growth. The growth is mainly driven by a number of projects, which are the Ivory Coast, which is an oil project, very accretive, very lucrative. I would say, then Congo LNG, which is not just an LNG project, but it has also a component of oil. And then we have the Libya project, which is gas and Indonesia, which is a very rich gas project. So a lot of liquids. The growth in the underlying and then the non-organic view is seeing an increase of the gas component with -- when I say gas, I'm including also the liquids associated with the gas. Yes, the condensates. And then if you -- and it's targeting the 60% towards the 2030 and then when you look at it from a -- I mean, a reported view, it's almost, I would say, equal the ratio that we will maintain from the beginning of the plan to the end of the plan.

JON RIGBY: I also say, Christyan, if you look, the EBIT sensitivity is obviously pre the satellites, so it doesn't include satellites, which are obviously oily -- and if you use the starting point the € 13.5 bln and apply the sensitivities from the 2023 performance, you're getting almost exactly to 13.5. So we needed a starting point. It is consistent with the assumptions we put in whether those are the right assumptions or not, that's for you to decide.

ALEJANDRO VIGIL, SANTANDER: Hello, Thank you for taking my question - Alejandro Vigil from Santander. Just a question about the situation in natural gas prices overall in Europe and in the U.S., we see this weakness in commodities, which are the implications for this business plan in terms of investment in LNG, natural gas in the upstream and also in Plenitude, all the investments in renewable plants that, of course, they are exposed to power prices.

CLAUDIO DESCALZI: So clearly, we have a scenario, gas scenario. So all the possible impacts all along the plan are already inside – embedded -- in this presentation, in this 4-year plan. Clearly, we have different kind of situation. If you look at upstream production, we don't have a lot of production in Europe or we have production linked to domestic situation. So we sell production to the countries.

Most of our production is out to the country and we have a contract. And we have a fixed price that is not depending on the market price, most of the time is domestic. So it's quite flat. Okay, it is a floor. So it's defending our situation, but it's not really impacted by all these macro scenarios. Obviously it's going down, down, we remain in a safe situation.

Then we have GGP. GGP, as you saw last year, we had -- we started with a very high price and then the price went down. But in any case, GGP made very good result. Why? Because GGP is – a part of the business, a good part of the business of GGP relies on volatility on the differences and we have this kind of diversified asset because we have LNG that is growing. And so at the end of the plan, 18 million tons of contracted energy. And we have pipes where we can really play on the volatility.

So I think that our gas price is an average gas price also considering all the different analysts. I don't think that we can be really impacted downside. Clearly, we can be impacted upside if there is a big high price, for volatility and also for the upstream. Do you want to say something else?

CRISTIAN SIGNORETTO: Difficult to add something, Claudio, I would just say that we see 2024 and '25, still being very tight in terms of LNG and gas scenario because it's true that now we are coming from a mild winter, which actually left the storages in U.S. and also in Europe, fairly high. But if you look at the addition of LNG, new LNG coming in the next couple of years, you have hardly 5 million tonnes coming and part of it is actually also contingent due to sanctions. And on the other hand, we see an uptick of the Asian and a bit also European demand coming back on stream. So we think the next 1 or 2 years will be still tight and volatile.

IRENE HIMONA, SOCIETE GENERALE: Irene Himona, Societe Generale. My first question is on your gross CapEx number. If you can talk around what sort of inflation or disinflation you're seeing in there? And then Francesco, you referred to EUR 1.8 billion of savings from simplification. It wasn't quite clear if that is OpEx alone or OpEx and CapEx? And then secondly, very quickly, going back to Russian gas. Last year, you spoke about replacing, I think, initially 50% of that and then rising to 80%. Where are we in that? And how should we think about the structure of these new contracts anything you can say on pricing for these new contracts versus the old Gazprom ones, please?

CLAUDIO DESCALZI: Yes, we start from Russia, that is easier, then we'll go through the inflation. So for Russia now, where we are? We are in a good position because the demand -- especially I'll talk about Europe, really -- the demand is lower. We have big storage; the storage is at 65%. So -- and we -- if we go back and we make all the calculations now we are exceeding 80% of replacement, clearly in a different way because that was one contract. Now we have different contracts, but the model changed completely because I think the older replacement has been made – apart one small quantity of 1.5 billion cubic meter per year with Qatar -- the overall replacement has been made using our gas, equity gas. Though we are in a different kind of situation before we were just buyers. Now we are producers so we can control much better the quantity and the contract is a contract with ourselves, most of the case.

So market condition, clearly. So we are quite in a safe situation. If we -- if the demand comes back to what we had in 2018, '19 so 420 billion cubic meter per year in Europe clearly, we would not be at 100%. We can reach 100% in 1 year, I think, for next winter. At this level of some maximum level of demand. But with lower demand, we can reach it faster.

GUIDO BRUSCO: With the cost inflation, the current scenario with the geopolitical instability, clearly, the persistence of a high level of activity globally and the merging of the major suppliers is bringing some inflation. Clearly, not at the level of '22 versus 2021, which was 10% or '23 versus '22 which was 6%. We see an increase between 3% and 4%, which is embedded in our plan.

FRANCESCO GATTEI: While coming to the question related to the cost and the savings of corporate -- these are mainly OpEx. There are some, let's say, CapEx related to ICT. But the great part of that is OpEx. We wanted to bring back the amount that we had in the past for this kind of, I'll say, running corporate in the range of EUR 1.5 billion, EUR 1.6 billion. We kept this relatively flat for a number of years. After COVID there was a doubling impact, there was a rebound following the reduction activity of 2020, 2021. And there was also the inflation component that added, let's say, a double-digit push so we want to return to the normalized level.

MICHELE DELLA VIGNA, GOLDMAN SACHS: Michele Della Vigna from Goldman. First of all, congratulations on what is a very powerful industrial growth story, both in traditional and low carbon. I wanted to come back to your financial framework. It looks like you've been quite conservative in that you match the outflow and inflow of capital even before the disposals, more or less on your plan. I was wondering, especially given the very low valuation that you, like the rest of the oil and gas companies in Europe are trading at. Why not perhaps link some of the disposals with increased buybacks, taking advantage of such a low multiple in a very accretive way.

And then the second question is a little bit more technical. On the carbon capture business, clearly, you're developing a very strong business of storage and transportation of CO_2. I was wondering is the capture side as well something you're interested in to perhaps help some of the industries in Europe that don't really know how to do it themselves or how to finance it to add that extra piece of decarbonization and increase your business there?

CLAUDIO DESCALZI: So I start from CCS, and then we talk about buyback and asset disposal. In this center, we develop R&D -- also in another centers -- on the capture. So the capture is not normally in the U.K. business model, we are just in charge of storage, transportation and storage. But as I said, we -- for big hubs, we play a different role as an orchestrator. And because it's our specific know-how the capture in refineries or in E&P to strip the CO_2 or the sour gas. Clearly, we had the meters to use the best technology, but also to use for us the best technologies, the technology that consumes less energy because the most expensive part in the CCS is the capturing. So if we consider transportation and storages, we can consider about between $15, $18, $19 per tonne of CO_2.Then 40, 50, 60 depends or less. It depends on how it's reaching CO_2, due to the capture. So we are working with R&D, and we help the emitters.

Then for the first question. No, that could be an idea. But clearly, when we say that we have a level of EBIT and [then] we have different prices so [that] we perform better [versus] our plan or there is some other events... for example, we said when we reach a better bottom line, a better result – I'm talking about the CFFO -- we are going to share the result, the upside is 60% for our shareholders and 40% for us. So that is inside our -- we can say - new policy because we upgraded it but also we changed it because we remember that we talked about 35%.

So that is another way to give an additional remuneration, in a different kind of situation. I don't consider that -- the disposal cannot be linked with other mechanism – it is not in the model that has been approved by the Board. It's a possible idea.

FRANCESCO GATTEI: I would like to integrate that we prefer to have a progression of dividend distribution related to the, let's say, underlying performance. The disposals are cycles could be -- could expand your return in a year or the following year, you will have the setback of that because the people will immediately, let's say, be accustomed to a higher return that is not originated through the business, but it's related to a specific sale.

So it is much better to create a real growth that is absorbed or recovered or balanced also through the disposal, but to ensure a consistent cash flow growth that is the origin of the distribution policy.

ANISHAA PATTANI, BARCLAYS: I'm Anishaa Pattani from Barclays. So I have two questions. One, again, on buyback. You mentioned the potential upside to buybacks. So I wanted to sort of understand where exactly that comes from? Is it just linked to the fact that you could have changes in the macro environment? And then the second question was on chemicals. I wanted to know like how far along you are on the restructuring and transformation to reach the breakeven in 2025. And you mentioned on the slides, like participation in strong specialization in high-end markets. So could you specify what that is exactly?

CLAUDIO DESCALZI: For the upside, I'd say a few word more than the expert, for sure, he will want to say something. But the upside, as I said, is that we have on the base of our scenario, […] we have cash flow from operation, EUR 13.5 billion. So if we are performing better in terms of manage the business, we get better results or we have higher prices as the example that Francesco did during the presentation, the $90 …how much can give to our shareholders, those are the condition. because it's linked to the first line in the cash flow from operation, not M&A or disposals. For the -- for Versalis to give some color, then we will have the breakout, but you can maybe – Adriano -- the CEO of Versalis -- you can you give us some color about that?

ADRIANO ALFANI: So thanks for the question. On the trajectory of restructuring, we are going in line with our plan. In fact, we started already a few years ago with, for example, transformation few sites like Porto Marghera. We announced in November the shutdown also of another site in Scotland. And of course, it is ongoing in term of efficiency, in term of restructuring, resizing a few sites, and of course, bringing fixed and variable cost reduction. Is something that you cannot do overnight.

Of course, we are not waking up today, something that we started over the last few years, it takes time also to build the platform that enables the transformation. So over the last few years, we built a few platforms. We acquired also some platforms like Novamont example. But going back to the specific question on specialization so that is one of the three platforms that we mentioned before that we want to grow, we want to diversify specific market linked to energy transition. So for example, wire and cable, like polyethylene for photovoltaic like in some case, a potential application for battery, specific composite for battery.

So this is all the type of applications we're looking on and we can do because we acquired a few years ago Finproject that is a compounding company, very integrated with our technology platform. So we have the raw material and also the solution offering to these markets.

CLAUDIO DESCALZI: In summary, the commitment of Adriano that is the CEO of Versalis is that during the plan is going to be breakeven by the end of the plan. He has a -- look at me because you're hiding yourself.

ADRIANO ALFANI: Because we are very squeezed.

CLAUDIO DESCALZI: You are taking commitment in front of everybody. So I repeat because he was looking at something else. But in summary, your commitment is, for Versalis, that in the next 2 years, you reach breakeven, by the end of the plan, or in 3 years, I remember, you reach – you have a positive EBIT.

ADRIANO ALFANI: Absolutely.

CLAUDIO DESCALZI: You can say to everybody that is a commitment. No, it’s better to say from...

ADRIANO ALFANI: EBITDA breakeven in 2025, EBIT positive in 2026 and Free cash flow breakeven in 2027.

CLAUDIO DESCALZI: So we are not joking.

ADRIANO ALFANI: No, not at all.

CLAUDIO DESCALZI: Okay. Good. You can sit down now.

JON RIGBY: I feel a bit intimidated. Let’s push off on the front row with Al and then we’ll move back.

ALASTAIR SYME, CITIGROUP: Can I just ask a couple of questions on Plenitude. Can you talk about the involvement of Energy Infrastructure Partners? Was that a competitive process, were they chosen because they paid the most? Or do they bring something to the joint venture?

CLAUDIO DESCALZI: Yes, that is immediately they paid the most…

ALASTAIR SYME, CITIGROUP: Yes. Are they a partner that can add value to the business is kind of my question. And yes, but we'll probably leave it there. That's my question.

CLAUDIO DESCALZI: So when we talk about the process, Francesco is going to say more. Why them? Because they believe in the project. They believe in the company. They were able to cash out money to be part of this project. It's not a new project, but it's for us not a new project. But from our side, we talk about Plenitude and the satellite model, we put together clients, EV-charging points, renewables, solar, wind. We created a company, now it is working. The results are there. But we started discussing with them because they, we present, they believe in the company, they are ready to put money, they want to invest more to grow the company. When you see -- when you look for a partner and you find -- you look for a strategic partner. Strategic means that it's not just there to follow, not just there you have to drag it and you have -- is sleepy and sometimes he wants dividend - finished. No, they believe in this business, and they put money because they want to grow with us. So it's -- because we were not ready to accept everybody because we want to invest, we want to grow. We selected them because we felt that there is a strong belief. It's not just a question of money because for us, Plenitude is a strategic project. It's not just a project.

You want to say something about the price?

FRANCESCO GATTEI: I think that we can say that there were other, let's say, potential buyers that were upset by the conclusion of this negotiation. So I think that this was a good win for us. I think it was also a discussion related to governance, that was the lengthy component of this negotiation. And I think that we will have, let's say, a balance of industrial competence and financial competence that will help Plenitude to perform even better in the future.

ALASTAIR SYME, CITIGROUP: Just one but a quick follow-up. The debt, you mentioned the debt reconciliation. Is the debt of Plenitude recourse or nonrecourse?

FRANCESCO GATTEI: This is a nonrecourse -- it is recourse in case consolidated within Eni. So it will be at the end, a Plenitude's debt once it will be eventually deconsolidated in the future.

JON RIGBY: Come around to Biraj on his own there.

BIRAJ BORKHATARIA, RBC: It's Biraj Borkhataria at RBC. So the first one is on the GGP guidance. So last year, you had really exceptional results for a few reasons. And I guess we can all take a view on volatility this year, and environment is quite different and so on. But the bit that's harder is the arbitrations. So is it implicitly in your guidance for 2024, are you not expecting much? Are you risking it very heavily? How should I think about that because they tend to come out of the blue and it's hard to see from my seat. And then the second question is just on the upstream sales. So that is -- one of the changes is the step-up in divestments in the Upstream and you've had some exploration success, but you've very consistently had some exploration success.

So that's not really changed year-on-year. So -- could you give some comments on the sort of broader environment for M&A in that space? Because you see a lot of activity in the US, your larger peers are buying assets and you're talking about accelerating the sales. I would be interested in your perspective there.

CLAUDIO DESCALZI: Okay. So starting from the exploration -- dual exploration model, -- it's true that we made a lot of exploration discoveries. And you said it didn't change – it changed a lot because we made $11 billion of selling -- so that means that for exploration we did a big added value because we derisked and that is specifically for us, we derisked the asset, just the investment for exploration, then there is a big added value. So that is something that we did in the past and $11 billion are not nuts, is a huge amount of money for a derisked without FID, without development, then we develop clearly. That is a part of our strategy. And it's not just an exploration, is a different kind of exploration because this exploration is near field. So linked to existing facilities. It's an exploration that is not just derisked from a geological point of view but it's the exploration that is close to existing facilities.

That means that is also the development, as we demonstrated with several examples, is fast. It's less expensive with high internal rate of returns. So we can find IOCs, we can find a lot of NOCs or states that want to join us, as happened in the past, and as it's happening now. So that is quite, for the past record, is quite credible project stuff. So that are something that we are finalizing also. And also, we expect to finalize something also in 2024 and are very good assets. And as Guido explained before, assets are not just a gas is rich gas or condensate or volatile oil, so very light oil with quite a premium. So there are really good -- from that point of view, we are in a very good shape. There is no particular issues. Sorry, then, your focus on...

FRANCESCO GATTEI: Volatility gas.

CLAUDIO DESCALZI: Do you want to say something on gas?

CRISTIAN SIGNORETTO: Yes. So in 2024, we don't expect any arbitration outcome. So the guidance is actually not affected by that. Instead, clearly, we have ongoing as usual renegotiation, renegotiation with our counterparts, which actually might also affect the guidance exactly to quantify the upside that Claudio was referring to. So the upside is also linked to volatility prices but also outcome of those discussions.

CLAUDIO DESCALZI: And I'd like to add about this point, that is true, there is no arbitration. But what I said at the very beginning is that we are buying our gas. So we are on the value chain. So it's something that you can maybe -- you can see in the GGP, you can see in the upstream or then in Plenitude at the end of the day. So the good stuff of this satellite model and the equity model, where you are not just a buyer, you buy from a third party, you sell to a third party, you are just in the middle with a small margin, is that you are on all the value chain. And you are in different places to optimize the result, the economic result at the corporate level.

JON RIGBY: We'll work our way back to Massimo on the back there, and then we'll come to Josh after that.

MASSIMO BONISOLI, EQUITA: Good afternoon. One question on the bridge on your outlook for 2024 on cash flow from operations. It seems to me you have quite a good level of contingencies. I'm struggling a little bit on the bridge here. So I would like to know to understand better the contribution from Neptune in 2024, the exit of cash flow from the divested asset in Upstream. And maybe one word about contingencies in the sense that last year, you improved cash flow from operation targets over the year at same scenario level. So maybe you have included some contingencies as well.

FRANCESCO GATTEI: Yes. We do not provide all the details if you look for, sorry, but -- this is your job.

CLAUDIO DESCALZI: At the end of the year.

FRANCESCO GATTEI: Exactly, anyway, just to give you a figure that is important in terms of contribution of cash flow from operation 2023 versus 2024: of that EUR 3 billion difference, EUR 2.7 billion is related to GGP. So substantially, what you are seeing is the impact of GGP plus that have last year also some one-off factors that helped is the scenario gas, SERM is a bit lower. So you see that there were -- and also oil was about $2-3 lower. So the overall net comparison is related to scenario plus the GGP changes.

JON RIGBY : Massimo, I guarantee, if you run the oil price, the gas price scenario through it and adjust for the GGP guidance, you'll get pretty much to the number we've got as the base. Josh?

JOSHUA STONE, UBS: It's Josh Stone from UBS. Two questions, please. First, just a clarification on your CapEx guidance. You've given the net CapEx number. But when it comes to running your business, I'm presuming you base everything on a gross CapEx basis, so just a point of clarification on that. And then second point, you made a comment about the satellite model driving simplification inside Eni. And just from where I sit, if you're sort of cutting out different parts of the business, different layers of management, that would strike me as something that's driving more complexity inside Eni. So where am I wrong on that?

CLAUDIO DESCALZI: So we plan between, just for simplification of the complexity of the satellite model. Clearly, you have to make a balance strike and understand between the cost and what is the advantage. Clearly, when we have the satellite, we are able to extract the value. If you look at the 10 -- more than EUR 10 billion of Plenitude based on the strategic investment, clearly, we were not able to extract this kind of value. That's all these different companies of gas, retail, in the big basket of Eni that was mainly valued through the E&P with 3x, 3.5x [EV/EBITDA] or more for a European company. If you're able to extract there, you have big advantages. And then we -- for Enilive is more or less the same. But what are the other advantages? That at the corporate level, we have R&D, technology. So we can give update like in the iPhone, the software. So we really can enrich this company.

Clearly, we must have, through service contracts or service agreements, links with them. They are a company while they continue – we continue to feed because we are a shareholder, and we need to increase the value. So there is no additional cost that can pay these big advantages.

FRANCESCO GATTEI: On the CapEx – the gross CapEx, as we said, were in the past EUR 37 billion and now are, let's say, in the range of EUR 35 billion. So it is a saving in the range of EUR 2 billion over the 4-year plan. And this is the gross CapEx element. Then what we said, there is the benefit of the M&A that reduced this overall amount by an additional EUR 8 billion, so almost EUR 2 billion per year.

JON RIGBY: Yes. So you're right, the top line is driven by the gross. Kim, on the back.

KIM FUSTIER, HSBC: It's Kim Fustier from HSBC. I was wondering, how do you philosophically reconcile the dual exploration model with the fast-track approach? When you farm down an asset, in some cases, you lose control, and you might run into partner alignment issues. I think Mozambique was a good example of that. So I guess, going forward, would you look to sell down only minority stakes in immature projects? Or would you look to farm down closer to FID so that you don't run into those partner alignment issues? And then perhaps linked to that, could you provide an update on the Mozambique floating, the second floating LNG project?

CLAUDIO DESCALZI: So what we have done in the past, what is the base? So the logic of our model is that, because we believe in our skills in exploration, we acquired 100% blocks, most of the time. And then we sell, except Mozambique because we sold much more because we were in the development phase, but Zohr is a different case, for example, where we take -- we can hold 45%, 30%, 50% - so with all the operatorship. And that works in Angola, Block 15/06 in Litchendjili or Block 12 in Congo, in Indonesia, in many cases. Mozambique is quite different because we made a decision to reduce our share from 80% to 25%. Now we have a different kind of situation offshore, where we run with a higher share to go faster. And we have to consider that this joint venture was not -- so when we discovered Mozambique was early 2010 – before – and the joint venture has been constituted before the dual exploration model. So it's been consistent with the government, with us. So they put together different kind of actors.

Our model is quite different. And then we started in 2012 with the dual exploration model. We acquired 100%, and then we farm out shares. So the issue is - we run the business. And what happened in different countries from Egypt to Algeria, to Angola and to Congo, to Indonesia or Mexico, we kept a share that allow us to have an operatorship and, in any case, until the first production we remain free cash flow positive […]. Mozambique - we are evaluating -- we are already at POD. We are evaluating the situation and also the partnership, and the situation to understand when we can take the FID. We are not far from a full analysis of the plan of development, but I'm not now in the situation - for that reason we didn't put (also in our list of projects this year – where we can be ready to start the second floating LNG.

JON RIGBY: I'm conscious we've run out of time. So I'm going to have to close up the Q&A now. We obviously got time to…

CLAUDIO DESCALZI: There's one question.

JON RIGBY: That's a lucky man.

ALESSANDRO POZZI, MEDIOBANCA: Thank you, two questions, if I can, Jon. The first one is on production. We were talking this morning about the need to cut emissions and that how it could impact production in the long term. And I think we started to see that already in Eni with the reported production growing by 2% post disposals. How should we think about production going into 2030? Is 2030 peak year for production or ...

CLAUDIO DESCALZI: Every year is peak year. For a long time. I am joking.

ALESSANDRO POZZI, MEDIOBANCA: And yes, so how should we think about production evolving? And also on CCS, I think that is a candidate for the satellite model, and you already have an acquisition vehicle listed in London. What would be the perimeter of a potential independent company for CCS, just with UK assets, with all assets, including Italy as well? If you can give us your thoughts on that.

CLAUDIO DESCALZI: Thank you. So the first question is for Guido and then Francesco for the CCS vehicle.

GUIDO BRUSCO: Yes. On production, I mean, this morning, you have seen about our model, and we have also a strong pipeline of projects looking forward, which would enable us to have an underlying growth in the plan of the 3-4%, which is then reduced to the 2% reported because of the M&A. So the – beyond the plan, we plan to reach our peak around the 2030 and then plateauing with the gas component increasing over time. Of course, as we said this morning, we have a lot of flexibilities. And we have also to take in consideration what the society would ask in terms of what the trend should be. So within these boundaries, we will manage our strong inventory and multiple inventory of, basically, opportunities.

ALESSANDRO POZZI: And in terms of CO2 intensity, how is that going to change post disposals?

GUIDO BRUSCO: It is going to improve as you see in the quality of our projects are mostly gas. So the intensity is lower. And so overall, the total intensity is going down while the production is going up in terms of volumes.

FRANCESCO GATTEI: For the CCS, as also was presented, the idea is not to work just specifically in a country, but substantially to present a business model that is a global model. Clearly, there are -- Europe is, also for our exposure, a region where we have more opportunities, not only UK, but the Netherlands through the acquisition recently on Neptune and in Italy. But we have also North Africa and potentially also some activities in Far East. So the idea is to have this overall global company that is able to present, towards the harder to abate industry, the solution to capture and provide the assets and the competence to put this CO2 capture within the storage.

ALESSANDRO POZZI: When do you think you have critical mass to achieve to have an independent company in CCS?

FRANCESCO GATTEI: Well, I think that clearly, the size, we have already the potential of that. The complexity is related to that you should have a framework and emitters around, that are all aligned towards taking the FID and making this potential a fact.

CLAUDIO DESCALZI: In any case, Francesco, what we said and what we know that in 2024 for Hynet, for the first one, so on the South West, we are going -- the emitters were -- if they are going to sign the FID, so for the formal sanction on the project, we are there. So we are ready. We here are ready -- we start now in a couple of months in Ravenna, and then we can grow in Ravenna. So that are the two ready. So the critical mass is there. The critical mass is there.

JON RIGBY: Jump the gun. I'm going to have to cut it, I'm afraid. So we've run out of time on the... come back. Thank you everybody for your attendance. We've got the three breakout sessions later on, but before that, you get a drink and a bit of a rest. I know it's been quite intense. And then we will collect you up and take you to your breakout rooms. So that's how it will work. So thank you very much.

CLAUDIO DESCALZI: Thank you very much.